

AMENDED IN SENATE AUGUST 28, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 103

Introduced by Committee on Budget (~~Blumenfield~~Skinner (Chair), Bloom, ~~Bonilla~~, Campos, Chávez, Chesbro, Daly, Dickinson, Gordon, Grove, Harkey, Jones-Sawyer, Logue, Mansoor, Melendez, Mitchell, Morrell, Mullin, Muratsuchi, Nazarian, ~~Rendon~~, Nestande, Patterson, Stone, and Ting, and Wagner)

January 10, 2013

An act relating to the Budget Act of 2013. An act to amend Sections 1240, 1622, 2574, 2575, 2576, 8150.5, 8151, 8152, 8154, 8155, 35736.5, 41365, 41367, 42127, 42238.01, 42238.02, 42238.025, 42238.03, 42238.05, 42283, 42284, 42285, 42285.5, 42287, 46200, 46201, 46202, 46208, 47612, 47614.5, 47631, 48664, 49085, 52060, 52061, 52062, 52066, 52068, 52070, 52070.5, 52074, 56836.11, 70022, and 84321.6 of, to amend and repeal Sections 2558 and 47633 of, and to repeal Sections 1982, 42238.20, 46610, 46611, and 48667 of, the Education Code, to amend Section 17581.7 of the Government Code, to amend Sections 26225, 26233, and 26235 of the Public Resources Code, to amend Section 115 of Chapter 47 of the Statutes of 2013, to amend Section 83 of Chapter 48 of the Statutes of 2013, and to amend Item 6110-001-0001 of Section 2.00 of the Budget Act of 2013, relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 103, as amended, Committee on Budget. ~~Budget Act of 2013.~~
School finance: local control funding formula.

(1) Existing law provides for the attendance of apprentices at high schools, unified school districts, regional occupational centers or programs, community colleges, and adult schools under vocational education programs standards that are established with the participation of the State Department of Education, the Chancellor of the California Community Colleges, and the Division of Apprenticeship Standards of the Department of Industrial Relations.

Existing law establishes standards for the provision of state funding and reimbursements for these programs at high schools, unified school districts, regional occupational centers or programs, and adult schools separate from these programs at community colleges. Existing law requires, by March 15, 2014, the Chancellor of the California Community Colleges and the Division of Apprenticeship Standards of the Department of Industrial Relations, with equal participation by specified entities, to develop common administrative practices and treatment for costs and services, as well as other policies related to apprenticeship programs.

This bill would amend these provisions so that they refer to local educational agencies, as defined to mean a school district or county office of education, rather than to high schools, unified school districts, regional occupational centers or programs, and adult schools. The bill would change the deadline for the development of common administrative practices and treatment of costs and services by the Chancellor of the California Community Colleges and the Division of Apprenticeship Standards of the Department of Industrial Relations by one day to March 14, 2014.

(2) Existing law establishes the Charter School Revolving Loan Fund in the State Treasury, and authorizes loans to be made from the fund to qualifying charter schools. Existing law establishes the Charter School Security Fund, and authorizes deposits to be made from that fund into the Charter School Revolving Loan Fund in case of a default on a loan made from the latter fund. Existing law has transferred the responsibility for the administration of these funds from the State Department of Education to the California School Finance Authority commencing with the 2013–14 fiscal year. Existing law also establishes the Charter School Facility Grant Program under the administration of the authority. Existing law requires the authority to adopt emergency regulations to implement these provisions.

This bill would authorize, rather than require, the California School Finance Authority to adopt any necessary rules and regulations for the implementation of these provisions.

(3) Existing law establishes the public school system in this state and establishes a public school financing system that requires state funding for county superintendents of schools, school districts, and charter schools to be calculated pursuant to a local control funding formula, as specified. Existing law requires, as part of the local control funding formula calculation, the calculation of an annual local control funding formula transition adjustment that is calculated on the basis of moneys appropriated in the Budget Act of 2012 for specified programs, including, among others, regional occupational centers and programs. Existing law, for the 2013–14 and 2014–15 fiscal years only, requires a county superintendent of schools and a school district that, in the 2012–13 fiscal year, received funds on behalf of, or provided funds to, a regional occupational center or program joint powers agency, to not redirect that funding for another purpose, except as specified. Existing law also requires, for the 2013–14 and 2014–15 fiscal years only, a county superintendent of schools and a school district to spend no less for regional occupational centers and programs than the amount of funds the county superintendent and school district expended in the 2012–13 fiscal year.

This bill would, for the 2013–14 and 2014–15 fiscal years, require the Superintendent of Public Instruction to apportion to a regional occupational center or program joint powers authority the same amount that authority received in the 2012–13 fiscal year from specified funding sources. The bill would authorize a county office of education and school district to include expenditures made by the county office of education and the school districts within the county for purposes of regional occupational centers or programs so long as the total amount of expenditures made by the county office of education and school districts within the county equals or exceeds the total amount required to be expended for regional occupational centers or programs pursuant to specified provisions. The bill would, for the 2013–14 and 2014–15 fiscal years, require the Superintendent to reduce the amount of the Budget Act of 2012 entitlement for regional occupational centers and programs used in the computation of the local control funding formula transition adjustment for the Torrance Unified School District by \$3,473,574 and would require the Torrance Unified School District to continue to allocate \$3,473,574 for purposes of regional occupational

center or program joint power authority. The bill would also make numerous technical and substantive changes to provisions related to the local control funding formula.

(4) Existing law requires a county board of education and a governing board of a school district to annually adopt a budget, as specified, and requires the Superintendent of Public Instruction to approve the budget adopted by the county board of education and the county superintendent of schools to approve the budget adopted by the governing board of a school district. Existing law requires the budgets to not be adopted if they do not include the expenditures identified in a local control and accountability plan or an annual update to the local control and accountability plan that will be effective in the subsequent fiscal year. Existing law also requires, if a budget is disapproved, the formation of a budget review committee, as specified.

This bill would, commencing with the 2014–15 fiscal year, require that a budget review committee not be formed if the sole reason for a budget not being approved is the lack of an approved local control and accountability plan or an annual update.

(5) Existing law requires a county superintendent of schools and a school district to expend no less for home-to-school transportation programs than the amount of funds the county superintendent of schools and school district expended for home-to-school transportation in the 2012–13 fiscal year.

This bill would, for the 2013–14 and 2014–15 fiscal years, if a home-to-school transportation joint powers authority received, in the 2012–13 fiscal year, an apportionment of funds directly from the Superintendent for any of specified funding sources, require the Superintendent to apportion the same amount to the home-to-school transportation joint powers authority.

(6) Existing law, as part of the local control funding formula, requires a county superintendent of schools, school district, and charter school to annually report the enrollment of unduplicated pupils, defined as pupils classified as English learners, pupils eligible for free and reduced-price meals, and foster youth, to the Superintendent.

This bill would require the Superintendent to establish procedures and timeframes for the annual reporting of this information.

(7) Existing law, commencing with the 2013–14 fiscal year, requires the Superintendent to increase certain funding amounts related to necessary small schools by an amount proportionate to the increase in

the statewide average local control funding formula allocations for the then current fiscal year.

This bill, commencing with the 2013–14 fiscal year, would instead require the Superintendent to increase the funding amount related to necessary small schools by the percentage change in the annual average value of a certain deflator, as specified.

(8) Existing law requires the Fallbrook Union High School District to enter into an interdistrict attendance agreement with the Capistrano Unified School District to allow up to 150 pupils to attend schools of the Capistrano Unified School District, as specified.

This bill would repeal the requirement that the Fallbrook Union High School District enter into the interdistrict attendance agreement with the Capistrano Unified School District.

(9) Existing law requires the State Department of Education and the State Department of Social Services to enter into a memorandum of understanding that requires the State Department of Social Services, at least once per week, to share information related to foster youth with the State Department of Education.

This bill would require the State Department of Education and the State Department of Social Services to enter into the memorandum of understanding on or before February 1, 2014.

(10) Existing law requires a school district and a county superintendent of schools to adopt a local control accountability plan using a template adopted by the State Board of Education. Existing law requires the local control and accountability plan to include a description of the annual goals to be achieved for each of certain state priorities and the specific actions that will be taken to achieve the annual goals. Existing law requires the governing board of a school district and the county superintendent of schools to consult with teachers, principals, administrators, other school personnel, parents, and pupils in developing the local control and accountability plan. Existing law requires the county superintendent of schools to approve a local control and accountability plan or annual update to a local control and accountability plan adopted by the governing board of a school district and requires the Superintendent of Public Instruction to approve a local control and accountability plan or annual update to a local control and accountability plan adopted by the county board of education if specified determinations are made. Existing law establishes the California Collaborative for Educational Excellence for purposes of advising and assisting school districts, county superintendents of schools, and charter

schools in achieving the goals set forth in a local control and accountability plan and requires the Superintendent, with the approval of the state board, to contract with individuals, local educational agencies, or organizations with the expertise, experience, and record of success to carry out the purposes of local control accountability plans.

This bill would require the local control and accountability plan to also include a listing and description of the expenditures for the fiscal year implementing the specific actions and the expenditures for the fiscal year that will serve unduplicated pupils, as defined, and pupils redesignated as fluent English proficient. The bill would require the governing board of a school district and county superintendent of schools to also consult with their local bargaining units in developing the local control and accountability plan. The bill would require the county superintendent of schools and the Superintendent, in approving a local control and accountability plan or annual update to a local control and accountability plan approved by the governing board of a school district or county board of education, respectively, to also determine if the local control and accountability plan or annual update adheres to specified expenditure requirements relating to unduplicated pupils. The bill would require the Superintendent to contract with a local educational agency, or consortium of local educational agencies, to serve as the fiscal agent for the California Collaborative for Educational Excellence. The bill would require the fiscal agent for the California Collaborative for Educational Excellence to contract with individuals, local educational agencies, or organizations with the expertise, experience, and record of success to carry out the purposes of local control and accountability plans.

(11) Existing law provides for the calculation of apportionments to fund the provision of special education instruction and services for pupils who qualify for these programs.

This bill would require that a specified appropriation in the Budget Act of 2013 be included in the calculation of the statewide target amount per unit of average daily attendance used to determine adjustments to special education apportionments for the 2013–14 fiscal year.

(12) Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. Existing law establishes the Middle Class Scholarship Program under the administration of the Student Aid

Commission. The program provides that, subject to an available and sufficient appropriation, commencing with the 2014–15 academic year, undergraduate students enrolled at the University of California or the California State University receive a scholarship award that, combined with other publicly funded student financial aid, is up to 40% of the amount charged to that student for mandatory systemwide tuition in that fiscal year if the student meets the following conditions: has an annual household income that does not exceed \$150,000; satisfies specified requirements for a Cal Grant award; is a resident of this state or exempt from paying nonresident tuition; files specified financial aid forms; makes timely application or applications for publicly funded student financial aid, as defined, for which he or she is eligible; and maintains at least a 2.0 grade point average.

The program requires, in order for students enrolled in their respective segments to remain eligible to receive financial aid under the bill, that the University of California and the California State University maintain their respective institutional need-based grant program policies and maintain their funding amounts at a level that, at a minimum, is equal to the level maintained during the 2013–14 academic year.

This bill would provide that the scholarship award under the Middle Class Scholarship, combined with other publicly funded student financial aid, would be for up to 40% of the mandatory systemwide tuition and fees, rather than up to 40% of the mandatory systemwide tuition, charged to an eligible student in a fiscal year.

The bill would require that an eligible student maintain satisfactory academic progress, rather than a 2.0 grade point average, to receive a scholarship award under the program.

The bill would also require that the University of California and the California State University not supplant their respective institutional need-based grants with funds provided for scholarships under the program, rather than maintain their respective need-based grant program policies, as specified.

(13) Existing law requires the Controller to draw warrants on the State Treasury in each month of the year for the purpose of funding school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of specified warrants until later dates. With respect to community colleges, existing law appropriates \$591,233,000 from the General Fund to the Board of Governors of the California Community Colleges, for expenditure

during the 2014–15 fiscal year, in satisfaction of specified moneys whose payment to the California Community Colleges has been deferred.

This bill would decrease the amount of apportionment to the California Community Colleges to be deferred from the month of February to the month of July from \$55,233,000 to \$52,456,000. The bill would also increase the amount of the appropriation from the General Fund to the Board of Governors of the California Community Colleges, for expenditure during the 2014–15 fiscal year, in satisfaction of specified deferred amounts from \$591,233,000 to \$592,456,000.

(14) Existing law, commencing with the 2012–13 fiscal year, requires certain funds appropriated in the annual Budget Act for reimbursement of the cost of a new program or increased level of service of an existing program mandated by statute or executive order to be available as a block grant to school districts, charter schools, county offices of education, and community college districts, to support specified state-mandated local programs. Existing law provides that a school district, charter school, county office of education, or community college district that submits a letter of intent to the Superintendent of Public Instruction or the Chancellor of the California Community Colleges, as appropriate, and receives this block grant funding is not eligible to submit a claim for reimbursement for those specified mandated programs for the fiscal year for which the block grant funding is received.

This bill, with respect to community colleges, would add the collective bargaining agreement disclosure mandate to the list of specified state-mandated local programs that are subject to these provisions that authorize block grant funding in lieu of program-specific reimbursement.

(15) The California Clean Energy Jobs Act, an initiative approved by the voters as Proposition 39 at the November 6, 2012, statewide general election, made changes to corporate income taxes and, except as specified, provides for the transfer of \$550,000,000 annually from the General Fund to the Clean Energy Job Creation Fund, or the Job Creation Fund, for 5 fiscal years beginning with the 2013–14 fiscal year. Moneys in the Job Creation Fund are available, upon appropriation by the Legislature, for purposes of funding eligible projects that create jobs in California improving energy efficiency and expanding clean energy generation. Existing law provides for the allocation of available funds to public school facilities, university and college facilities, and other public buildings and facilities, as well as job training and workforce development and public-private partnerships

for eligible projects, as specified. Existing law establishes prescribed criteria that apply to all expenditures from the Job Creation Fund.

This bill would make various revisions in the provisions of the act relating to the allocation of Job Creation Fund moneys to schools, including specifying the calculation of average daily attendance for state special schools for these purposes, and clarifying the scope of an authorization for smaller educational agencies to elect to receive 2 years of this funding at once.

(16) Existing law authorizes the Inglewood Unified School District, through the State Department of Education, to request cashflow loans from the General Fund for a total of \$55,000,000.

This bill would require that the terms and conditions of the General Fund cashflow loan to include authorization for the payment of costs incurred before June 15, 2013, by the California Infrastructure and Economic Development Bank to implement a specified provision. The bill would make legislative findings and declarations as to the necessity of a special statute for Inglewood Unified School District.

(17) Existing law, the Budget Act of 2013, appropriates \$35,488,000 from the General Fund to the State Department of Education for support of various activities of the department.

This bill would appropriate an additional \$3,164,000 for the support of the Career Technical Education Pathways Trust one-time grant program, the Local Control Accountability Plan state-level activities, and the Local Control Funding Formula administration, as specified.

(18) This bill would, on or before June 30, 2014, authorize the Board of Governors of the California Community Colleges to increase certain General Fund apportionment allocations, in an amount to be determined by the Director of Finance, to the extent that revenues distributed to local community colleges pursuant to provisions related to redevelopment agencies are less than the amount estimated in the Budget Act of 2012, as specified. The bill would require the Director of Finance to notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of his or her intent to increase the total allocations and the amount needed to address the shortfall described above.

(19) This bill would make conforming changes, correct cross-references, and make other nonsubstantive changes.

(20) Funds appropriated by this bill would be applied toward the minimum funding requirements for school districts and community

college districts imposed by Section 8 of Article XVI of the California Constitution.

(21) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2013.~~

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1240 of the Education Code is amended
2 to read:

3 1240. The county superintendent of schools shall do all of the
4 following:

5 (a) Superintend the schools of his or her county.

6 (b) Maintain responsibility for the fiscal oversight of each school
7 district in his or her county pursuant to the authority granted by
8 this code.

9 (c) (1) Visit and examine each school in his or her county at
10 reasonable intervals to observe its operation and to learn of its
11 problems. He or she annually may present a report of the state of
12 the schools in his or her county, and of his or her office, including,
13 but not limited to, his or her observations while visiting the schools,
14 to the board of education and the board of supervisors of his or
15 her county.

16 (2) (A) For fiscal years 2004–05 to 2006–07, inclusive, to the
17 extent that funds are appropriated for purposes of this paragraph,
18 the county superintendent, or his or her designee, annually shall
19 submit a report, at a regularly scheduled November board meeting,
20 to the governing board of each school district under his or her
21 jurisdiction, the county board of education of his or her county,
22 and the board of supervisors of his or her county describing the
23 state of the schools in the county or of his or her office that are
24 ranked in deciles 1 to 3, inclusive, of the 2003 base Academic
25 Performance Index (API), as ~~defined~~ *described* in subdivision (b)
26 of Section 17592.70, and shall include, among other things, his or
27 her observations while visiting the schools and his or her
28 determinations for each school regarding the status of all of the
29 circumstances listed in subparagraph (J) and teacher

1 misassignments and teacher vacancies. As a condition for receipt
2 of funds, the county superintendent, or his or her designee, shall
3 use a standardized template to report the circumstances listed in
4 subparagraph (J) and teacher misassignments and teacher
5 vacancies, unless the current annual report being used by the county
6 superintendent, or his or her designee, already includes those details
7 for each school.

8 (B) Commencing with the 2007–08 fiscal year, ~~to the extent~~
9 ~~that funds are appropriated for purposes of this paragraph,~~ the
10 county superintendent, or his or her designee, annually shall submit
11 a report, at a regularly scheduled November board meeting, to the
12 governing board of each school district under his or her jurisdiction,
13 the county board of education of his or her county, and the board
14 of supervisors of his or her county describing the state of the
15 schools in the county or of his or her office that are ranked in
16 deciles 1 to 3, inclusive, of the 2006 base API, pursuant to Section
17 52056. ~~As a condition for the receipt of funds, the~~ *The* annual
18 report shall include the determinations for each school made by
19 the county superintendent, or his or her designee, regarding the
20 status of all of the circumstances listed in subparagraph (J) and
21 teacher misassignments and teacher vacancies, and the county
22 superintendent, or his or her designee, shall use a standardized
23 template to report the circumstances listed in subparagraph (J) and
24 teacher misassignments and teacher vacancies, unless the current
25 annual report being used by the county superintendent, or his or
26 her designee, already includes those details with the same level of
27 specificity that is otherwise required by this subdivision. For
28 purposes of this section, schools ranked in deciles 1 to 3, inclusive,
29 on the 2006 base API shall include schools determined by the
30 department to meet either of the following:

- 31 (i) The school meets all of the following criteria:
32 (I) Does not have a valid base API score for 2006.
33 (II) Is operating in fiscal year 2007–08 and was operating in
34 fiscal year 2006–07 during the Standardized Testing and Reporting
35 (STAR) Program testing period.
36 (III) Has a valid base API score for 2005 that was ranked in
37 deciles 1 to 3, inclusive, in that year.
38 (ii) The school has an estimated base API score for 2006 that
39 would be in deciles 1 to 3, inclusive.

1 (C) The department shall estimate an API score for any school
2 meeting the criteria of subclauses (I) and (II) of clause (i) of
3 subparagraph (B) and not meeting the criteria of subclause (III)
4 of clause (i) of subparagraph (B), using available test scores and
5 weighting or corrective factors it deems appropriate. The
6 department shall post the API scores on its Internet Web site on
7 or before May 1.

8 (D) For purposes of this section, references to schools ranked
9 in deciles 1 to 3, inclusive, on the 2006 base API shall exclude
10 schools operated by county offices of education pursuant to Section
11 56140, as determined by the department.

12 (E) In addition to the requirements above, the county
13 superintendent, or his or her designee, annually shall verify both
14 of the following:

15 (i) That pupils who have not passed the high school exit
16 examination by the end of grade 12 are informed that they are
17 entitled to receive intensive instruction and services for up to two
18 consecutive academic years after completion of grade 12 or until
19 the pupil has passed both parts of the high school exit examination,
20 whichever comes first, pursuant to paragraphs (4) and (5) of
21 subdivision (d) of Section 37254.

22 (ii) That pupils who have elected to receive intensive instruction
23 and services, pursuant to paragraphs (4) and (5) of subdivision (d)
24 of Section 37254, are being served.

25 (F) (i) Commencing with the 2010–11 fiscal year and every
26 third year thereafter, the Superintendent shall identify a list of
27 schools ranked in deciles 1 to 3, inclusive, of the API for which
28 the county superintendent, or his or her designee, annually shall
29 submit a report, at a regularly scheduled November board meeting,
30 to the governing board of each school district under his or her
31 jurisdiction, the county board of education of his or her county,
32 and the board of supervisors of his or her county that describes the
33 state of the schools in the county or of his or her office that are
34 ranked in deciles 1 to 3, inclusive, of the base API as defined in
35 clause (ii).

36 (ii) For the 2010–11 fiscal year, the list of schools ranked in
37 deciles 1 to 3, inclusive, of the base API shall be updated using
38 the criteria set forth in clauses (i) and (ii) of subparagraph (B),
39 subparagraph (C), and subparagraph (D), as applied to the 2009
40 base API and thereafter shall be updated every third year using

1 the criteria set forth in clauses (i) and (ii) of subparagraph (B),
2 subparagraph (C), and subparagraph (D), as applied to the base
3 API of the year preceding the third year consistent with clause (i).

4 (iii) ~~As a condition for the receipt of funds, the~~ *The* annual report
5 shall include the determinations for each school made by the county
6 superintendent, or his or her designee, regarding the status of all
7 of the circumstances listed in subparagraph (J) and teacher
8 misassignments and teacher vacancies, and the county
9 superintendent, or his or her designee, shall use a standardized
10 template to report the circumstances listed in subparagraph (J) and
11 teacher misassignments and teacher vacancies, unless the current
12 annual report being used by the county superintendent, or his or
13 her designee, already includes those details with the same level of
14 specificity that is otherwise required by this subdivision.

15 (G) The county superintendent of the Counties of Alpine,
16 Amador, Del Norte, Mariposa, Plumas, and Sierra, and the City
17 and County of San Francisco shall contract with another county
18 office of education or an independent auditor to conduct the
19 required visits and make all reports required by this paragraph.

20 (H) On a quarterly basis, the county superintendent, or his or
21 her designee, shall report the results of the visits and reviews
22 conducted that quarter to the governing board of the school district
23 at a regularly scheduled meeting held in accordance with public
24 notification requirements. The results of the visits and reviews
25 shall include the determinations of the county superintendent, or
26 his or her designee, for each school regarding the status of all of
27 the circumstances listed in subparagraph (J) and teacher
28 misassignments and teacher vacancies. If the county
29 superintendent, or his or her designee, conducts no visits or reviews
30 in a quarter, the quarterly report shall report that fact.

31 (I) The visits made pursuant to this paragraph shall be conducted
32 at least annually and shall meet the following criteria:

33 (i) Minimize disruption to the operation of the school.
34 (ii) Be performed by individuals who meet the requirements of
35 Section 45125.1.

36 (iii) Consist of not less than 25 percent unannounced visits in
37 each county. During unannounced visits in each county, the county
38 superintendent shall not demand access to documents or specific
39 school personnel. Unannounced visits shall only be used to observe

1 the condition of school repair and maintenance, and the sufficiency
2 of instructional materials, as defined by Section 60119.

3 (J) The priority objective of the visits made pursuant to this
4 paragraph shall be to determine the status of all of the following
5 circumstances:

6 (i) Sufficient textbooks as defined in Section 60119 and as
7 specified in subdivision (i).

8 (ii) The condition of a facility that poses an emergency or urgent
9 threat to the health or safety of pupils or staff as ~~defined~~ *described*
10 in *school* district policy or paragraph (1) of subdivision (c) of
11 Section 17592.72.

12 (iii) The accuracy of data reported on the school accountability
13 report card with respect to the availability of sufficient textbooks
14 and instructional materials, as defined by Section 60119, and the
15 safety, cleanliness, and adequacy of school facilities, including
16 good repair as required by Sections 17014, 17032.5, 17070.75,
17 and 17089.

18 (iv) The extent to which pupils who have not passed the high
19 school exit examination by the end of grade 12 are informed that
20 they are entitled to receive intensive instruction and services for
21 up to two consecutive academic years after completion of grade
22 12 or until the pupil has passed both parts of the high school exit
23 examination, whichever comes first, pursuant to paragraphs (4)
24 and (5) of subdivision (d) of Section 37254.

25 (v) The extent to which pupils who have elected to receive
26 intensive instruction and services, pursuant to paragraphs (4) and
27 (5) of subdivision (d) of Section 37254, are being served.

28 (K) The county superintendent may make the status
29 determinations described in subparagraph (J) during a single visit
30 or multiple visits. In determining whether to make a single visit
31 or multiple visits for this purpose, the county superintendent shall
32 take into consideration factors such as cost-effectiveness, disruption
33 to the schoolsite, deadlines, and the availability of qualified
34 reviewers.

35 (L) If the county superintendent determines that the condition
36 of a facility poses an emergency or urgent threat to the health or
37 safety of pupils or staff as ~~defined~~ *described* in *school* district
38 policy or paragraph (1) of subdivision (c) of Section 17592.72, or
39 is not in good repair, as specified in subdivision (d) of Section
40 17002 and required by Sections 17014, 17032.5, 17070.75, and

1 17089, the county superintendent, among other things, may do any
2 of the following:

3 (i) Return to the school to verify repairs.

4 (ii) Prepare a report that specifically identifies and documents
5 the areas or instances of noncompliance if the *school* district has
6 not provided evidence of successful repairs within 30 days of the
7 visit of the county superintendent or, for major projects, has not
8 provided evidence that the repairs will be conducted in a timely
9 manner. The report may be provided to the governing board of the
10 school district. If the report is provided to the school district, it
11 shall be presented at a regularly scheduled meeting held in
12 accordance with public notification requirements. The county
13 superintendent shall post the report on his or her Internet Web site.
14 The report shall be removed from the Internet Web site when the
15 county superintendent verifies the repairs have been completed.

16 (d) Distribute all laws, reports, circulars, instructions, and blanks
17 that he or she may receive for the use of the school officers.

18 (e) Annually, on or before August 15, present a report to the
19 governing board of the school district and the Superintendent
20 regarding the fiscal solvency of a school district with a disapproved
21 budget, qualified interim certification, or a negative interim
22 certification, or that is determined to be in a position of fiscal
23 uncertainty pursuant to Section 42127.6.

24 (f) Keep in his or her office the reports of the Superintendent.

25 (g) Keep a record of his or her official acts, and of all the
26 proceedings of the county board of education, including a record
27 of the standing, in each study, of all applicants for certificates who
28 have been examined, which shall be open to the inspection of an
29 applicant or his or her authorized agent.

30 (h) Enforce the course of study.

31 (i) (1) Enforce the use of state textbooks and instructional
32 materials and of high school textbooks and instructional materials
33 regularly adopted by the proper authority in accordance with
34 Section 51050.

35 (2) For purposes of this subdivision, sufficient textbooks or
36 instructional materials has the same meaning as in subdivision (c)
37 of Section 60119.

38 (3) (A) Commencing with the 2005–06 school year, if a school
39 is ranked in any of deciles 1 to 3, inclusive, of the base API, as
40 specified in paragraph (2) of subdivision (c), and not currently

1 under review pursuant to a state or federal intervention program,
2 the county superintendent specifically shall review that school at
3 least annually as a priority school. A review conducted for purposes
4 of this paragraph shall be completed by the fourth week of the
5 school year. For the 2004–05 fiscal year only, the county
6 superintendent shall make a diligent effort to conduct a visit to
7 each school pursuant to this paragraph within 120 days of receipt
8 of funds for this purpose.

9 (B) In order to facilitate the review of instructional materials
10 before the fourth week of the school year, the county superintendent
11 in a county with 200 or more schools that are ranked in any of
12 deciles 1 to 3, inclusive, of the base API, as specified in paragraph
13 (2) of subdivision (c), may utilize a combination of visits and
14 written surveys of teachers for the purpose of determining
15 sufficiency of textbooks and instructional materials in accordance
16 with subparagraph (A) of paragraph (1) of subdivision (a) of
17 Section 60119 and as defined in subdivision (c) of Section 60119.
18 If a county superintendent elects to conduct written surveys of
19 teachers, the county superintendent shall visit the schools surveyed
20 within the same academic year to verify the accuracy of the
21 information reported on the surveys. If a county superintendent
22 surveys teachers at a school in which the county superintendent
23 has found sufficient textbooks and instructional materials for the
24 previous two consecutive years and determines that the school
25 does not have sufficient textbooks or instructional materials, the
26 county superintendent shall within 10 business days provide a copy
27 of the insufficiency report to the school district as set forth in
28 paragraph (4).

29 (C) For purposes of this paragraph, “written surveys” may
30 include paper and electronic or online surveys.

31 (4) If the county superintendent *of schools* determines that a
32 school does not have sufficient textbooks or instructional materials
33 in accordance with subparagraph (A) of paragraph (1) of
34 subdivision (a) of Section 60119 and as defined by subdivision (c)
35 of Section 60119, the county superintendent shall do all of the
36 following:

37 (A) Prepare a report that specifically identifies and documents
38 the areas or instances of noncompliance.

39 (B) Provide within five business days of the review, a copy of
40 the report to the school district, as provided in subdivision (c), or,

1 if applicable, provide a copy of the report to the school district
2 within 10 business days pursuant to subparagraph (B) of paragraph
3 (3).

4 (C) Provide the school district with the opportunity to remedy
5 the deficiency. The county superintendent shall ensure remediation
6 of the deficiency no later than the second month of the school term.

7 (D) If the deficiency is not remedied as required pursuant to
8 subparagraph (C), the county superintendent shall request the
9 department to purchase the textbooks or instructional materials
10 necessary to comply with the sufficiency requirement of this
11 subdivision. If the department purchases textbooks or instructional
12 materials for the school district, the department shall issue a public
13 statement at the first regularly scheduled meeting of the state board
14 occurring immediately after the department receives the request
15 of the county superintendent and that meets the applicable public
16 notice requirements, indicating that the district superintendent and
17 the governing board of the school district failed to provide pupils
18 with sufficient textbooks or instructional materials as required by
19 this subdivision. Before purchasing the textbooks or instructional
20 materials, the department shall consult with the *school* district to
21 determine which textbooks or instructional materials to purchase.
22 ~~All purchases of textbooks or instructional materials shall comply~~
23 ~~with Chapter 3.25 (commencing with Section 60420) of Part 33.~~
24 The amount of funds necessary for the purchase of the textbooks
25 and materials is a loan to the school district receiving the textbooks
26 or instructional materials. Unless the school district repays the
27 amount owed based upon an agreed-upon repayment schedule with
28 the Superintendent, the Superintendent shall notify the Controller
29 and the Controller shall deduct an amount equal to the total amount
30 used to purchase the textbooks and materials from the next
31 principal apportionment of the *school* district or from another
32 apportionment of state funds.

33 (j) Preserve carefully all reports of school officers and teachers.

34 (k) Deliver to his or her successor, at the close of his or her
35 official term, all records, books, documents, and papers belonging
36 to the office, taking a receipt for them, which shall be filed with
37 the department.

38 (l) (1) Submit two reports during the fiscal year to the county
39 board of education in accordance with the following:

1 (A) The first report shall cover the financial and budgetary status
2 of the county office of education for the period ending October
3 31. The second report shall cover the period ending January 31.
4 Both reports shall be reviewed by the county board of education
5 and approved by the county superintendent no later than 45 days
6 after the close of the period being reported.

7 (B) As part of each report, the county superintendent shall certify
8 in writing whether or not the county office of education is able to
9 meet its financial obligations for the remainder of the fiscal year
10 and, based on current forecasts, for two subsequent fiscal years.
11 The certifications shall be classified as positive, qualified, or
12 negative, pursuant to standards prescribed by the Superintendent,
13 for the purposes of determining subsequent state agency actions
14 pursuant to Section 1240.1. For purposes of this subdivision, a
15 negative certification shall be assigned to a county office of
16 education that, based upon current projections, will not meet its
17 financial obligations for the remainder of the fiscal year or for the
18 subsequent fiscal year. A qualified certification shall be assigned
19 to a county office of education that may not meet its financial
20 obligations for the current fiscal year or two subsequent fiscal
21 years. A positive certification shall be assigned to a county office
22 of education that will meet its financial obligations for the current
23 fiscal year and subsequent two fiscal years. In accordance with
24 those standards, the Superintendent may reclassify a certification.
25 If a county office of education receives a negative certification,
26 the Superintendent, or his or her designee, may exercise the
27 authority set forth in subdivision (c) of Section 1630. Copies of
28 each certification, and of the report containing that certification,
29 shall be sent to the Superintendent at the time the certification is
30 submitted to the county board of education. Copies of each
31 qualified or negative certification and the report containing that
32 certification shall be sent to the Controller at the time the
33 certification is submitted to the county board of education.

34 (i) For the 2011–12 fiscal year, notwithstanding any of the
35 standards and criteria adopted by the state board pursuant to Section
36 33127, each county office of education budget shall project the
37 same level of revenue per unit of average daily attendance as it
38 received in the 2010–11 fiscal year and shall maintain staffing and
39 program levels commensurate with that level.

1 (ii) For the 2011–12 fiscal year, the county superintendent shall
2 not be required to certify in writing whether or not the county
3 office of education is able to meet its financial obligations for the
4 two subsequent fiscal years.

5 (iii) For the 2011–12 fiscal year, notwithstanding any of the
6 standards and criteria adopted by the state board pursuant to Section
7 33127, the Superintendent, as a condition on approval of a county
8 office of education budget, shall not require a county office of
9 education to project a lower level of revenue per unit of average
10 daily attendance than it received in the 2010–11 fiscal year nor
11 require the county superintendent to certify in writing whether or
12 not the county office of education is able to meet its financial
13 obligations for the two subsequent fiscal years.

14 (2) All reports and certifications required under this subdivision
15 shall be in a format or on forms prescribed by the Superintendent,
16 and shall be based on standards and criteria for fiscal stability
17 adopted by the state board pursuant to Section 33127. The reports
18 and supporting data shall be made available by the county
19 superintendent to an interested party upon request.

20 (3) This subdivision does not preclude the submission of
21 additional budgetary or financial reports by the county
22 superintendent to the county board of education or to the
23 Superintendent.

24 (4) The county superintendent is not responsible for the fiscal
25 oversight of the community colleges in the county, however, he
26 or she may perform financial services on behalf of those
27 community colleges.

28 (m) If requested, act as agent for the purchase of supplies for
29 the city and high school districts of his or her county.

30 (n) For purposes of Section 44421.5, report to the Commission
31 on Teacher Credentialing the identity of a certificated person who
32 knowingly and willingly reports false fiscal expenditure data
33 relative to the conduct of an educational program. This requirement
34 applies only if, in the course of his or her normal duties, the county
35 superintendent discovers information that gives him or her
36 reasonable cause to believe that false fiscal expenditure data
37 relative to the conduct of an educational program has been reported.

38 (o) *If any activities authorized pursuant to this section are found*
39 *to be a state reimbursable mandate pursuant to Section 6 of Article*
40 *XIII B of the California Constitution, funding provided for school*

1 *districts and county offices of education pursuant to Sections 2574,*
2 *2575, 42238.02, and 42238.03 shall be used to directly offset any*
3 *mandated costs.*

4 *SEC. 2. Section 1622 of the Education Code is amended to*
5 *read:*

6 1622. (a) On or before July 1 of each fiscal year, the county
7 board of education shall adopt an annual budget for the budget
8 year and shall file the budget with the Superintendent, the county
9 board of supervisors, and the county auditor. The budget, and
10 supporting data, shall be maintained and made available for public
11 review. The budget shall indicate the date, time, and location at
12 which the county board of education held the public hearing
13 required under Section 1620. For the 2014–15 fiscal year and each
14 fiscal year thereafter, the county board of education shall not adopt
15 a budget before the county board of education adopts a local control
16 and accountability plan or approves an update to an existing local
17 control and accountability plan if an existing local control and
18 accountability plan or update to a local control and accountability
19 plan is not effective during the budget year. The county board of
20 education shall not adopt a budget that does not include the
21 expenditures identified in the local control and accountability plan
22 and any annual update to the local control and accountability plan
23 that will be effective in the subsequent fiscal year. *Notwithstanding*
24 *any other provision of this article, for the 2014–15 fiscal year and*
25 *each fiscal year thereafter, the budget shall not be adopted or*
26 *approved by the Superintendent before a local control and*
27 *accountability plan or update to an existing local control and*
28 *accountability plan for the budget year is approved.*

29 (b) (1) The Superintendent shall examine the budget to
30 determine if it (A) complies with the standards and criteria adopted
31 by the state board pursuant to Section 33127 for application to
32 final local educational agency budgets, (B) allows the county office
33 of education to meet its financial obligations during the fiscal year,
34 and (C) is consistent with a financial plan that will enable the
35 county office of education to satisfy its multiyear financial
36 commitments. In addition, the Superintendent shall identify any
37 technical corrections to the budget that must be made. On or before
38 August 15, the Superintendent shall approve or disapprove the
39 budget and, in the event of a disapproval, transmit to the county

1 office of education in writing his or her recommendations regarding
2 revision of the budget and the reasons for those recommendations.

3 (2) For the 2011–12 fiscal year, notwithstanding any of the
4 standards and criteria adopted by the state board pursuant to Section
5 33127, the Superintendent, as a condition on approval of a county
6 office of education budget, shall not require a county office of
7 education to project a lower level of revenue per unit of average
8 daily attendance than it received in the 2010–11 fiscal year nor
9 require the county superintendent to certify in writing whether or
10 not the county office of education is able to meet its financial
11 obligations for the two subsequent fiscal years.

12 (3) For the 2014–15 fiscal year and each fiscal year thereafter,
13 the Superintendent shall disapprove a budget if any of the following
14 occur:

15 (A) The Superintendent has not approved a local control and
16 accountability plan or an annual update to the local control and
17 accountability plan filed by a county superintendent of schools
18 pursuant to Section 52067.

19 (B) The Superintendent determines that the budget does not
20 include the expenditures necessary to implement the local control
21 and accountability plan or an annual update to the local control
22 and accountability plan that is effective for that budget year.

23 (c) On or before September 8, the county board of education
24 shall revise the county office of education budget to reflect changes
25 in projected income or expenditures subsequent to July 1, and to
26 include any response to the recommendations of the
27 Superintendent, shall adopt the revised budget, and shall file the
28 revised budget with the Superintendent, the county board of
29 supervisors, and the county auditor. Before revising the budget,
30 the county board of education shall hold a public hearing regarding
31 the proposed revisions, which shall be made available for public
32 inspection not less than three working days before the hearing.
33 The agenda for that hearing shall be posted at least 72 hours before
34 the public hearing and shall include the location where the budget
35 will be available for public inspection. The revised budget, and
36 supporting data, shall be maintained and made available for public
37 review.

38 (d) (1) The Superintendent shall examine the revised budget
39 to determine if it complies with the standards and criteria adopted
40 by the state board pursuant to Section 33127 for application to

1 final local educational agency budgets and, no later than October
2 8, shall approve or disapprove the revised budget. For the 2014–15
3 fiscal year and each fiscal year thereafter, the Superintendent shall
4 disapprove a revised budget if the Superintendent determines that
5 the revised budget does not include the expenditures necessary to
6 implement the local control and accountability or an annual update
7 to the local control and accountability plan approved by the
8 Superintendent pursuant to Section 52067. If the Superintendent
9 disapproves the budget, he or she shall call for the formation of a
10 budget review committee pursuant to Section 1623. For the
11 2011–12 fiscal year, notwithstanding any of the standards and
12 criteria adopted by the state board pursuant to Section 33127, the
13 Superintendent, as a condition on approval of a county office of
14 education budget, shall not require a county office of education to
15 project a lower level of revenue per unit of average daily attendance
16 than it received in the 2010–11 fiscal year nor require the county
17 superintendent to certify in writing whether or not the county office
18 of education is able to meet its financial obligations for the two
19 subsequent fiscal years.

20 *(2) Notwithstanding any other law, for the 2014–15 fiscal year*
21 *and each fiscal year thereafter, if the Superintendent disapproves*
22 *the budget for the sole reason that the Superintendent has not*
23 *approved a local control and accountability plan or an annual*
24 *update to the local control and accountability plan filed by the*
25 *county superintendent of schools pursuant to Section 52067, the*
26 *Superintendent shall not call for the formation of a budget review*
27 *committee pursuant to Section 1623.*

28 (e) Notwithstanding any other provision of this section, the
29 budget review for a county office of education shall be governed
30 by paragraphs (1), (2), and (3) of this subdivision, rather than by
31 subdivisions (c) and (d), if the county board of education so elects,
32 and notifies the Superintendent in writing of that decision, no later
33 than October 31 of the immediately preceding calendar year.

34 (1) In the event of the disapproval of the budget of a county
35 office of education pursuant to subdivision (b), on or before
36 September 8, the county superintendent of schools and the county
37 board of education shall review the recommendations of the
38 Superintendent at a regularly scheduled meeting of the county
39 board of education and respond to those recommendations. That

1 response shall include the proposed actions to be taken, if any, as
2 a result of those recommendations.

3 (2) No later than October 8, after receiving the response required
4 under paragraph (1), the Superintendent shall review that response
5 and either approve or disapprove the budget of the county office
6 of education. For the 2014–15 fiscal year and each fiscal year
7 thereafter, the Superintendent shall disapprove a budget if the
8 Superintendent determines that the budget adopted by the county
9 board of education does not include the expenditures necessary to
10 implement the local control and accountability plan or an annual
11 update to the local control and accountability plan approved by
12 the Superintendent pursuant to Section 52067. ~~If Except as~~
13 ~~provided in paragraph (2) of subdivision (d), if~~ the Superintendent
14 disapproves the budget, he or she shall call for the formation of a
15 budget review committee pursuant to Section 1623.

16 (3) Not later than 45 days after the Governor signs the annual
17 Budget Act, the county office of education shall make available
18 for public review any revisions in revenues and expenditures that
19 it has made to its budget to reflect the funding made available by
20 that Budget Act.

21 *SEC. 3. Section 1982 of the Education Code is repealed.*

22 ~~1982. (a) County community schools shall be administered~~
23 ~~by the county superintendent of schools.~~

24 ~~For purposes of making apportionments from the State School~~
25 ~~Fund and the levying of local taxes, any attendance generated by~~
26 ~~pupils in county community schools in kindergarten or any of~~
27 ~~grades 1 to 12, inclusive, who are enrolled pursuant to subdivisions~~
28 ~~(a), (b), and (d) of Section 1981 as well as any attendance generated~~
29 ~~by pupils in county community schools in kindergarten or any of~~
30 ~~grades 1 to 6, inclusive, who are enrolled pursuant to paragraph~~
31 ~~(1) or (2) of subdivision (c) of Section 1981 shall be credited to~~
32 ~~the district of residence. School districts shall pay to the county~~
33 ~~for the purposes of the community schools the entire revenue limit~~
34 ~~for each average daily attendance credited pursuant to this section.~~
35 ~~No funds generated by average daily attendance credited pursuant~~
36 ~~to this section shall be retained by the district of residence. The~~
37 ~~county superintendent of schools may use funds derived from~~
38 ~~existing tax revenues to provide additional funding per pupil~~
39 ~~enrolled in county community schools but not to exceed the~~
40 ~~difference between the amount derived per pupil from the district~~

1 ~~and the amount available per pupil enrolled in juvenile court~~
2 ~~schools.~~

3 ~~(b) For the purposes of making apportionments from the State~~
4 ~~School Fund, pupils enrolled in county community schools~~
5 ~~pursuant to subdivision (c) of Section 1981 shall be deemed to be~~
6 ~~enrolled in a county juvenile hall or camp except pupils enrolled~~
7 ~~in kindergarten or any of grades 1 to 6, inclusive, who are enrolled~~
8 ~~pursuant to paragraph (1) or (2) of subdivision (c) of Section 1981.~~

9 ~~(c) For the purposes of this section, the county superintendent~~
10 ~~of schools providing educational services to homeless children~~
11 ~~shall be deemed to be the district of residence of those children.~~

12 *SEC. 4. Section 2558 of the Education Code is amended to*
13 *read:*

14 2558. Notwithstanding any other law, for the 1979–80 fiscal
15 year and each fiscal year thereafter, the Superintendent shall
16 apportion state aid to county superintendents of schools pursuant
17 to this section.

18 (a) The Superintendent shall total the amounts computed for
19 the fiscal year pursuant to Sections 2550, 2551.3, 2554, 2555, and
20 2557 and Section 2551, as that section read on January 1, 1999.
21 For the 1979–80 fiscal year and for purposes of calculating the
22 1979–80 fiscal year base amounts in succeeding fiscal years, the
23 amounts in Sections 2550, 2551, 2552, 2554, 2555, and 2557, as
24 they read in the 1979–80 fiscal year, shall be multiplied by a factor
25 of 0.994. For the 1981–82 fiscal year and for purposes of
26 calculating the 1981–82 fiscal year base amounts in succeeding
27 fiscal years, the amount in this subdivision shall be multiplied by
28 a factor of 0.97.

29 (b) For the 1995–96 fiscal year and each fiscal year thereafter,
30 the county superintendent of schools shall adjust the total revenue
31 limit computed pursuant to this section by the amount of increased
32 or decreased employer contributions to the Public Employees’
33 Retirement System resulting from the enactment of Chapter 330
34 of the Statutes of 1982, adjusted for any changes in those
35 contributions resulting from subsequent changes in employer
36 contribution rates, excluding rate changes due to the direct transfer
37 of the state-mandated portion of the employer contributions to the
38 Public Employees’ Retirement System through the current fiscal
39 year. The adjustment shall be calculated for each county
40 superintendent of schools as follows:

1 (1) Determine the amount of employer contributions that would
2 have been made in the current fiscal year if the applicable Public
3 Employees' Retirement System employee contribution rate in
4 effect immediately before the enactment of Chapter 330 of the
5 Statutes of 1982 were in effect during the current fiscal year.

6 (2) Determine the actual amount of employer contributions
7 made to the Public Employees' Retirement System in the current
8 fiscal year.

9 (3) If the amount determined in paragraph (1) is greater than
10 the amount determined in paragraph (2), the total revenue limit
11 computed pursuant to this part for that county superintendent of
12 schools shall be decreased by the amount of the difference between
13 those paragraphs; or if the amount determined in paragraph (1) is
14 less than the amount determined in paragraph (2), the total revenue
15 limit for that county superintendent of schools shall be increased
16 by the amount of the difference between those paragraphs.

17 (4) For purposes of this subdivision, employer contributions to
18 the Public Employees' Retirement System for either of the
19 following positions shall be excluded from the calculation specified
20 above:

21 (A) Positions or portions of positions supported by federal funds
22 that are subject to supplanting restrictions.

23 (B) Positions supported, to the extent of employers'
24 contributions not exceeding twenty-five thousand dollars (\$25,000)
25 by any single educational agency, from a non-General Fund
26 revenue source determined to be properly excludable from this
27 subdivision by the Superintendent with the approval of the Director
28 of Finance. Commencing in the 2002–03 fiscal year, only positions
29 supported from a non-General Fund revenue source determined
30 to be properly excludable as identified for a particular local
31 educational agency or pursuant to a blanket waiver by the
32 Superintendent and the Director of Finance, before the 2002–03
33 fiscal year, may be excluded pursuant to this paragraph.

34 (5) For accounting purposes, any reduction to county office of
35 education revenue limits made by this subdivision may be reflected
36 as an expenditure from appropriate sources of revenue as directed
37 by the Superintendent.

38 (6) The amount of the increase or decrease to the revenue limits
39 of county superintendents of schools made by this subdivision for
40 the 1995–96 to 2001–02 fiscal years, inclusive, may not be adjusted

1 by the deficit factor applied to the revenue limit of each county
2 superintendent of schools pursuant to Section 2558.45.

3 (7) For the 2003–04 fiscal year and any fiscal year thereafter,
4 the revenue limit reduction specified in Section 2558.46 may not
5 be applied to the amount of the increase or decrease to the revenue
6 limits of each county superintendent of schools computed pursuant
7 to paragraph (3).

8 (c) The Superintendent shall also subtract from the amount
9 determined in subdivision (a) the sum of all of the following:

10 (1) Local property tax revenues received pursuant to Section
11 2573 in the then current fiscal year, and tax revenues received
12 pursuant to Section 2556 in the then current fiscal year.

13 (2) State and federal categorical aid for the fiscal year.

14 (3) District contributions pursuant to Section 52321 for the fiscal
15 year, and other applicable local contributions and revenues.

16 (4) Any amounts that the county superintendent of schools was
17 required to maintain as restricted and not available for expenditure
18 in the 1978–79 fiscal year as specified in the second paragraph of
19 subdivision (c) of Section 6 of Chapter 292 of the Statutes of 1978,
20 as amended by Chapter 51 of the Statutes of 1979.

21 (5) The amount received pursuant to subparagraph (C) of
22 paragraph (3) of subdivision (a) of Section 33607.5 of the Health
23 and Safety Code that is considered property taxes pursuant to that
24 section.

25 (6) The amount, if any, received pursuant to Sections 34177,
26 34179.5, 34179.6, and 34188 of the Health and Safety Code.

27 (7) The amount, if any, received pursuant to subparagraph (B)
28 of paragraph (3) of subdivision (e) of Section 36 of Article XIII
29 of the California Constitution.

30 (d) The remainder computed in subdivision (c) shall be
31 distributed in the same manner as state aid to school districts from
32 funds appropriated to Section A of the State School Fund.

33 (e) If the remainder determined pursuant to subdivision (c) is a
34 negative amount, no state aid shall be distributed to that county
35 superintendent of schools pursuant to subdivision (d), and an
36 amount of funds of that county superintendent of schools equal to
37 that negative amount shall be deemed restricted and not available
38 for expenditure during the current fiscal year. In the next fiscal
39 year, that amount shall be considered local property tax revenue
40 for purposes of the operation of paragraph (1) of subdivision (c).

(f) The calculations set forth in paragraphs (1) to (3), inclusive, of subdivision (b) exclude employer contributions for employees of charter schools funded pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4 of Title 2.

(g) *Commencing with the 2013–14 fiscal year, this section shall be used only for purposes of allocating revenues received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.*

(h) *This section shall become inoperative on July 1, 2021, and, as of January 1, 2022, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2022, deletes or extends the dates on which it becomes inoperative and is repealed.*

SEC. 5. *Section 2574 of the Education Code is amended to read:*

2574. For the 2013–14 fiscal year and for each fiscal year thereafter, the Superintendent annually shall calculate a county local control funding formula for each county superintendent of schools as follows:

(a) Compute a county office of education operations grant equal to the sum of each of the following amounts:

(1) Six hundred fifty-five thousand nine hundred twenty dollars (\$655,920).

(2) One hundred nine thousand three hundred twenty dollars (\$109,320) multiplied by the number of school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253.

(3) (A) Seventy dollars (\$70) multiplied by the number of units of countywide average daily attendance, up to a maximum of 30,000 units. ~~For purposes of this section, countywide average daily attendance means the aggregate number of annual units of average daily attendance within the county attributable to all school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253, charter schools physically located within the county, and the schools operated by the county superintendent of schools.~~

(B) Sixty dollars (\$60) multiplied by the number of units of countywide average daily attendance for the portion of countywide average daily attendance, if any, above 30,000 units, up to a maximum of 60,000 units.

1 (C) Fifty dollars (\$50) multiplied by the number of units of
2 countywide average daily attendance for the portion of countywide
3 average daily attendance, if any, above 60,000, up to a maximum
4 of 140,000 units.

5 (D) Forty dollars (\$40) multiplied by the number of units of
6 countywide average daily attendance for the portion of countywide
7 average daily attendance, if any, above 140,000 units.

8 *(E) For purposes of this section, countywide average daily*
9 *attendance means the aggregate number of annual units of average*
10 *daily attendance within the county attributable to all school*
11 *districts for which the county superintendent of schools has*
12 *jurisdiction pursuant to Section 1253, charter schools authorized*
13 *by school districts for which the county superintendent of schools*
14 *has jurisdiction, and charter schools authorized by the county*
15 *superintendent of schools.*

16 (4) For the 2014–15 fiscal year and each fiscal year thereafter,
17 adjust each of the amounts rates provided in the prior year pursuant
18 to paragraphs (1), (2), and (3) by the percentage change in the
19 annual average value of the Implicit Price Deflator for State and
20 Local Government Purchases of Goods and Services for the United
21 States, as published by the United States Department of Commerce
22 for the 12-month period ending in the third quarter of the prior
23 fiscal year. This percentage change shall be determined using the
24 latest data available as of May 10 of the preceding fiscal year
25 compared with the annual average value of the same deflator for
26 the 12-month period ending in the third quarter of the second
27 preceding fiscal year, using the latest data available as of May 10
28 of the preceding fiscal year, as reported by the Department of
29 Finance.

30 (b) Determine the enrollment percentage of unduplicated pupils
31 pursuant to the following:

32 (1) (A) For the 2013–14 fiscal year, divide the enrollment of
33 unduplicated pupils in all schools operated by a county
34 superintendent of schools in the 2013–14 fiscal year by the total
35 enrollment in those schools in the 2013–14 fiscal year.

36 (B) For the 2014–15 fiscal year, divide the sum of the enrollment
37 of unduplicated pupils in all schools operated by a county
38 superintendent of schools in the 2013–14 and 2014–15 fiscal years
39 by the sum of the total enrollment in those schools in the 2013–14
40 and 2014–15 fiscal years.

1 (C) For the 2015–16 fiscal year and each fiscal year thereafter,
2 divide the sum of the enrollment of unduplicated pupils in all
3 schools operated by a county superintendent of schools in the
4 current fiscal year and the two prior fiscal years by the sum of the
5 total enrollment in those schools in the current fiscal year and the
6 two prior fiscal years.

7 (D) For purposes of determining the enrollment percentage of
8 unduplicated pupils pursuant to this subdivision, enrollment in
9 schools or classes established pursuant to Article 2.5 (commencing
10 with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title
11 2 and the enrollment of pupils other than the pupils identified in
12 clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4)
13 of subdivision (c), shall be excluded from the calculation of the
14 enrollment percentage of unduplicated pupils.

15 (2) For purposes of this section, an “unduplicated pupil” is a
16 pupil who is classified as an English learner, eligible to receive
17 for a free or reduced-price meal, or a foster youth. For purposes
18 of this section, the definitions in Section 42238.01 of an English
19 learner, a pupil eligible to receive for a free or reduced-price meal,
20 and foster youth shall apply. A pupil shall be counted only once
21 for purposes of this section if any of the following apply:

22 (A) The pupil is classified as an English learner and is eligible
23 for a free or reduced-price meal.

24 (B) The pupil is classified as an English learner and is a foster
25 youth.

26 (C) The pupil is eligible for a free or reduced-price meal and is
27 classified as a foster youth.

28 (D) The pupil is classified as an English learner, is eligible for
29 a free or reduced-price meal, and is a foster youth.

30 (3) (A) ~~Commencing~~ *Under procedures and timeframes*
31 *established by the Superintendent, commencing* with the 2013–14
32 fiscal year, a county superintendent of schools annually shall report
33 the enrollment of unduplicated pupils, pupils classified as English
34 learners, pupils eligible for free and reduced-price meals, and foster
35 youth in schools operated by the county superintendent of schools
36 to the Superintendent using the California Longitudinal Pupil
37 Achievement Data System.

38 (B) The Superintendent shall make the calculations pursuant to
39 this section using the data submitted through the California
40 Longitudinal Pupil Achievement Data System.

(C) The Controller shall include instructions, as appropriate, in the audit guide required by subdivision (a) of Section ~~14502.1~~ *14502.1*, for determining if the data reported by a county superintendent of schools using the California Longitudinal Pupil Achievement Data System is consistent with pupil data records maintained by the county office of education.

(c) Compute an alternative education grant equal to the sum of the following:

(1) (A) For the 2013–14 fiscal year, a base grant equal to the 2012–13 per pupil undeficitated statewide average juvenile court school base revenue limit calculated pursuant to Article 3 (commencing with Section 2550) of *Chapter 12*, as that article read on January 1, 2013.

(B) Commencing with the 2013–14 fiscal year, the per pupil base grant shall be adjusted by the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

(2) A supplemental grant equal to 35 percent of the base grant described in paragraph (1) multiplied by the enrollment percentage calculated in subdivision (b). The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

(3) (A) A concentration grant equal to 35 percent of the base grant described in paragraph (1) multiplied by the greater of either of the following:

(i) The enrollment percentage calculated in subdivision (b) less 50 percent.

(ii) Zero.

(B) The concentration grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

(4) (A) Multiply the sum of paragraphs (1), (2), and (3) by the total number of units of average daily attendance for pupils

1 attending schools operated by a county office of education,
2 excluding units of average daily attendance for pupils attending
3 schools or classes established pursuant to Article 2.5 (commencing
4 with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title
5 2, who are *enrolled pursuant to* any of the following:

6 (i) Probation-referred pursuant to Sections 300, 601, 602, and
7 654 of the Welfare and Institutions Code.

8 (ii) On probation or parole and not in attendance in a school.

9 (iii) Expelled for any of the reasons specified in subdivision (a)
10 or (c) of Section 48915.

11 (B) Multiply the number of units of average daily attendance
12 for pupils attending schools or classes established pursuant to
13 Article 2.5 (commencing with Section 48645) of Chapter 4 of Part
14 27 of Division 4 of Title 2 by the sum of the base grant calculated
15 ~~in~~ *pursuant to* paragraph (1), a supplemental grant equal to 35
16 percent of the base grant *calculated* pursuant to paragraph (1), and
17 a concentration grant equal to 17.5 percent of the base grant
18 *calculated* pursuant to paragraph (1). Funds provided for the
19 supplemental and concentration grants pursuant to this calculation
20 shall be expended in accordance with the regulations adopted
21 pursuant to Section 42238.07.

22 (C) Add the amounts calculated in subparagraphs (A) and (B).

23 (d) Add the amount calculated in subdivision (a) to the amount
24 calculated in subparagraph (C) of paragraph (4) of subdivision (c).

25 (e) Add all of the following to the amount calculated in
26 subdivision (d):

27 (1) The amount of funding a county superintendent of schools
28 received for the 2012–13 fiscal year from funds allocated pursuant
29 to the Targeted Instructional Improvement Block Grant program,
30 as set forth in Article 6 (commencing with Section 41540) of
31 Chapter 3.2 of Part 24 of Division 3 of Title 2, as that article read
32 on January 1, 2013.

33 (2) (A) The amount of funding a county superintendent of
34 schools received for the 2012–13 fiscal year from funds allocated
35 pursuant to the Home to School Transportation program, as set
36 forth in Article 2 (commencing with Section 39820) of Chapter 1
37 of Part 23.5 of Division 3 of Title 2, ~~and 2~~, Article 10 (commencing
38 with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title
39 2, *and the Small School District Transportation program, as set*
40 *forth in Article 4.5 (commencing with Section 42290) of Chapter*

1 7 of Part 24 of Division 3 of Title 2, as those articles read on
2 January 1, 2013.

3 (B) On or before March 1, 2014, the Legislative Analyst's Office
4 shall submit recommendations to the fiscal committees of both
5 houses of the Legislature regarding revisions to the methods of
6 funding pupil transportation that address historical funding
7 inequities across county offices of education and school districts
8 and improve incentives for local educational agencies to provide
9 efficient and effective pupil transportation services.

10 ~~(f) The funds apportioned pursuant to this section and Section~~
11 ~~2575 shall be available to implement the activities required~~
12 ~~pursuant to Article 4.5 (commencing with Section 52060) of~~
13 ~~Chapter 6.1 of Part 28 of Division 4 of Title 2.~~

14 *SEC. 6. Section 2575 of the Education Code is amended to*
15 *read:*

16 2575. (a) Commencing with the 2013–14 ~~budget~~ *fiscal* year
17 and for each fiscal year thereafter, the Superintendent shall
18 calculate a base entitlement for the transition to the county local
19 control funding formula for each county office of education based
20 on the sum of the amounts computed pursuant to paragraphs (1)
21 to (3), inclusive:

22 (1) Revenue limits in the 2012–13 fiscal year pursuant to Article
23 3 (commencing with Section 2550) of Chapter 12, as that article
24 read on January 1, 2013, adjusted only for changes in average daily
25 attendance claimed by the county superintendent of schools for
26 pupils identified in clauses (i), (ii), and (iii) of subparagraph (A)
27 of paragraph (4) of subdivision (c) of Section 2574 and for pupils
28 attending juvenile court schools. All other average daily attendance
29 claimed by the county superintendent of schools and any other
30 average daily attendance used for purposes of calculating revenue
31 limits pursuant to Article 3 (commencing with Section 2550) of
32 Chapter 12, as that article read on January 1, 2013, shall be
33 considered final for purposes of this section as of the annual
34 apportionment for the 2012–13 fiscal year, as calculated for
35 purposes of the certification required on or before February 20,
36 2014, pursuant to Section 41332.

37 (2) The sum of both of the following:

38 (A) The amount of funding received from appropriations
39 contained in Section 2.00 of the Budget Act of 2012, as adjusted
40 by Section 12.42, in the following items: 6110-104-0001,

1 6110-105-0001, 6110-107-0001, 6110-108-0001, 6110-111-0001,
 2 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001,
 3 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001,
 4 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001,
 5 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001,
 6 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001,
 7 6110-234-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,
 8 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,
 9 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001,
 10 6110-267-0001, 6110-268-0001, and 6360-101-0001, 2012–13
 11 fiscal year funding for the Class Size Reduction Program pursuant
 12 to Chapter 6.10 (commencing with Section 52120) of Part 28 of
 13 Division 4 of Title 2, as ~~it~~ *that chapter* read on January 1, 2013,
 14 and 2012–13 fiscal year funding for pupils enrolled in community
 15 day schools who are mandatorily expelled pursuant to subdivision
 16 (e) (d) of Section 48915.

17 (B) The amount of local revenues used to support a regional
 18 occupational center or program established and maintained by a
 19 county superintendent of schools pursuant to Section 52301.

20 (3) For the 2014–15 fiscal year and for each fiscal year
 21 thereafter, the sum of the amounts apportioned to the county office
 22 of education pursuant to subdivision (f) in all prior years.

23 (b) The Superintendent shall annually compute a county local
 24 control funding formula transition adjustment for each county
 25 superintendent of schools as follows:

26 (1) Subtract the amount computed pursuant to subdivision (a)
 27 from the amount computed pursuant to subdivision (e) of Section
 28 2574. A difference of less than zero shall be deemed to be zero.

29 (2) Divide the difference for each county superintendent of
 30 schools calculated pursuant to paragraph (1) by the total sum of
 31 the differences for all county superintendents of schools calculated
 32 pursuant to paragraph (1).

33 (3) Multiply the proportion calculated for each county office of
 34 education pursuant to paragraph (2) by the amount of funding
 35 specifically appropriated for purposes of subdivision (f). The
 36 amount calculated shall not exceed the difference for the county
 37 superintendent of schools calculated pursuant to paragraph (1).

38 (c) The Superintendent shall subtract from the amount calculated
 39 pursuant to subdivision (a) the sum of each of the following:

1 (1) Local property tax revenues received pursuant to Section
2 2573 in the then current fiscal year.

3 (2) Any amounts that the county superintendent of schools was
4 required to maintain as restricted and not available for expenditure
5 in the 1978–79 fiscal year as specified in the second paragraph of
6 subdivision (c) of Section 6 of Chapter 292 of the Statutes of 1978,
7 as amended by Chapter 51 of the Statutes of 1979.

8 (3) The amount received pursuant to subparagraph (C) of
9 paragraph (3) of subdivision (a) of Section 33607.5 of the Health
10 and Safety Code that is considered property taxes pursuant to that
11 section.

12 (4) The amount, if any, received pursuant to Sections 34177,
13 34179.5, 34179.6, 34183, and 34188 of the Health and Safety
14 Code.

15 (5) The amount, if any, received pursuant to subparagraph (B)
16 of paragraph (3) of subdivision (e) of Section 36 of Article XIII
17 of the California Constitution.

18 (d) The Superintendent shall subtract from the amount computed
19 pursuant to subdivision (e) of Section 2574 the sum of the amounts
20 computed pursuant to paragraphs (1) to (5), inclusive, of
21 subdivision (c).

22 (e) The Superintendent shall annually apportion to each county
23 superintendent of schools the amount calculated pursuant to
24 subdivision (c) unless the amount computed pursuant to subdivision
25 (c) is negative. If the amount computed is negative, except as
26 provided in subdivision (f), an amount of property tax of the county
27 superintendent of schools equal to the negative amount shall be
28 deemed restricted and not available for expenditure during the
29 fiscal year. In the following fiscal year, that amount, excluding
30 any amount of funds used for purposes of subdivision (f), shall be
31 considered restricted local property tax revenue for purposes of
32 subdivision (a) of Section 2578. State aid shall not be apportioned
33 to the county superintendent of schools pursuant to this subdivision
34 if the amount computed pursuant to subdivision (c) is negative.

35 (f) (1) The Superintendent shall apportion, from an
36 appropriation specifically made for this purpose, the amount
37 computed pursuant to subdivision (b), or, if the amount computed
38 pursuant to subdivision (c) is negative, the sum of the amounts
39 computed pursuant to subdivisions (b) and (c) if the sum is greater
40 than zero.

(2) The Superintendent shall apportion any portion of the appropriation made for purposes of paragraph (1) that is not apportioned pursuant to paragraph (1) pursuant to the following calculation:

(A) Add the amount calculated pursuant to subdivision (b) to the amount computed pursuant to subdivision (a) for a county superintendent of schools.

(B) Subtract the amount computed pursuant to subparagraph (A) from the amount computed pursuant to subdivision (e) of Section 2574 for the county superintendent of schools.

(C) Divide the difference for the county superintendent of schools computed pursuant to subparagraph (B) by the sum of the differences for all county superintendents of schools computed pursuant to subparagraph (B).

(D) Multiply the proportion computed pursuant to subparagraph (B) (C) by the unapportioned balance in the appropriation.

(E) Apportion to each county superintendent of schools the amount calculated pursuant to subparagraph (D), or if subdivision (c) is negative, apportion the sums of subdivisions (b) and (c) and subparagraph (D) *of this subdivision* if the sum is greater than zero.

(F) The Superintendent shall repeat the computation made pursuant to this paragraph, accounting for any additional amounts apportioned after each computation, until the appropriation made for purposes of paragraph (1) is fully apportioned.

(G) The total amount apportioned pursuant to this subdivision to a county superintendent of schools shall not exceed the difference for the county superintendent of schools calculated pursuant to paragraph (1) of subdivision (b).

(g) (1) For a county superintendent of schools for whom, in the 2013–14 fiscal year, the amount computed pursuant to subdivision (c) is less than the amount computed pursuant to subdivision (d), in the first fiscal year following the fiscal year in which the sum of the apportionments *computed* pursuant to subdivisions (e) and (f) is equal to, *or greater than*, the amount ~~calculated~~ *computed* pursuant to subdivision (d) of this section, the Superintendent shall apportion to the county superintendent of schools the amount computed in subdivision (d) in that fiscal year and each fiscal year thereafter instead of the amounts computed pursuant to subdivisions (e) and (f).

(2) For a county superintendent of schools for whom, in the 2013–14 fiscal year, the amount computed pursuant to subdivision (c) is greater than the amount computed pursuant to subdivision (d), in the first fiscal year in which the amount computed pursuant to subdivision (c) would be less than the amount computed pursuant to subdivision (d), the Superintendent shall apportion to the county superintendent of schools the amount computed in subdivision (d) in that fiscal year and each fiscal year thereafter instead of the amounts computed pursuant to subdivisions (e) and (f).

(3) In each fiscal year, the Superintendent shall determine the percentage of county superintendents of schools that are apportioned funding that is less than the amount computed pursuant to subdivision (d), as of the second principal apportionment of the fiscal year. If the percentage is less than 10 percent, the Superintendent shall apportion to those county superintendents of schools funding equal to the amount computed in subdivision (d) in that fiscal year and for each fiscal year thereafter instead of the amounts calculated pursuant to subdivisions (e) and (f).

(4) Commencing with the first fiscal year after the apportionments in paragraph (3) are made, the adjustments in paragraph (4) of subdivision (a) of Section 2574 and subparagraph (B) of paragraph (1) of subdivision (c) of Section 2574 shall be made only if an appropriation for those purposes is included in the annual Budget Act.

(5) If the calculation pursuant to subdivision (d) is negative and the Superintendent apportions to a county superintendent of schools the amount computed pursuant to subdivision (d) pursuant to paragraph (1), (2), or (3) *of this subdivision*, an amount of property tax of the county superintendent of schools equal to the negative amount shall be deemed restricted and not available for expenditure during that fiscal year. In the following fiscal year the restricted amount shall be considered restricted local property tax revenue for purposes of subdivision (a) of Section 2578.

(h) Commencing with the 2013–14 fiscal year, the Superintendent shall apportion to a county superintendent of schools an amount of state aid, including any amount apportioned pursuant to subdivisions (f) and (g), that is no less than the amount calculated in subparagraph (A) of paragraph (2) of subdivision (a).

(i) (1) For the 2013–14 and 2014–15 fiscal years only, a county superintendent of schools who, in the 2012–13 fiscal year, from

any of the funding sources identified in paragraph (1) or (2) of subdivision (a), received funds on behalf of, or provided funds to, a regional occupational center or program joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing instruction to pupils enrolled in grades 9 to 12, inclusive, shall not redirect that funding for another purpose unless otherwise authorized in law or pursuant to an agreement between the regional occupational center or program joint powers agency and the contracting county superintendent of schools.

(2) For the 2013–14 and 2014–15 fiscal years only, if a regional occupational center or program joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing instruction to pupils enrolled in grades 9 to 12, inclusive, received, in the 2012–13 fiscal year, an apportionment of funds directly from any of the funding sources identified in subparagraph (A) of paragraph (2) of subdivision (a), the Superintendent shall apportion that same amount to the regional occupational center or program joint powers agency.

(j) For the 2013–14 and 2014–15 fiscal years only, a county superintendent of schools who, in the 2012–13 fiscal year, from any of the funding sources identified in paragraph (1) or (2) of subdivision (a), received funds on behalf of, or provided funds to, a home-to-school transportation joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation shall not redirect that funding for another purpose unless otherwise authorized in law or pursuant to an agreement between the home-to-school transportation joint powers agency and the contracting county superintendent of schools.

(k) (1) In addition to subdivision (j), of the funds a county superintendent of schools receives for home-to-school transportation ~~programs~~ *programs*, the county superintendent of schools shall expend, pursuant to Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5 of Division 3 of Title 2; ~~and 2, Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of Division 3 of Title 2, and the Small School District~~

1 *Transportation program, as set forth in Article 4.5 (commencing*
2 *with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title*
3 *2, no less for those programs than the amount of funds the county*
4 *superintendent of schools expended for home-to-school*
5 *transportation in the 2012–13 fiscal year.*

6 *(2) For the 2013–14 and 2014–15 fiscal years only, if a*
7 *home-to-school transportation joint powers agency established in*
8 *accordance with Article 1 (commencing with Section 6500) of*
9 *Chapter 5 of Division 7 of Title 1 of the Government Code for*
10 *purposes of providing pupil transportation received, in the 2012–13*
11 *fiscal year, an apportionment of funds directly from the*
12 *Superintendent from any of the funding sources identified in*
13 *subparagraph (A) of paragraph (2) of subdivision (a), the*
14 *Superintendent shall apportion that same amount to the*
15 *home-to-school transportation joint powers agency.*

16 ~~(2)~~

17 *(3) For the 2013–14 and 2014–15 fiscal years only, of the funds*
18 *a county superintendent of schools receives for purposes of regional*
19 *occupational centers or programs, or adult education, the county*
20 *superintendent of schools shall expend no less for each of those*
21 *programs than the amount of funds the county superintendent of*
22 *schools expended for purposes of regional occupational centers*
23 *or programs, or adult education, respectively, in the 2012–13 fiscal*
24 *year. For purposes of this paragraph, a county office of education*
25 *may include expenditures made by a school district within the*
26 *county for purposes of regional occupational centers or programs*
27 *so long as the total amount of expenditures made by the school*
28 *districts and the county office of education equal or exceed the*
29 *total amount required to be expended for purposes of regional*
30 *occupational centers or programs pursuant to this paragraph and*
31 *paragraph (7) of subdivision (a) of Section 42238.03.*

32 *(l) The funds apportioned pursuant to this section and Section*
33 *2574 shall be available to implement the activities required*
34 *pursuant to Article 4.5 (commencing with Section 52060) of*
35 *Chapter 6.1 of Part 28 of Division 4 of Title 2.*

36 *SEC. 7. Section 2576 of the Education Code is amended to*
37 *read:*

38 *2576. (a) If a county superintendent of schools enrolls in a*
39 *school operated by the county superintendent of schools a pupil*
40 *not funded pursuant to clause (i), (ii), or (iii) of subparagraph (A)*

1 of paragraph (4) of subdivision (c) of Section 2574, *or Article 2.5*
2 *(commencing with Section 48645) of Chapter 4 of Part 27 of*
3 *Division 4 of Title 2*, any attendance generated by that pupil shall
4 be credited to the school district of residence. Enrollment of these
5 pupils shall be transferred to the school district of residence for
6 purposes of calculating the percentage of unduplicated pupils
7 pursuant to Section 42238.02.

8 (b) For purposes of this section, the school district of residence
9 for a homeless child, as defined in Section 1981.2, enrolled in a
10 school operated by a county superintendent of schools shall be
11 deemed to be the school district that last provided educational
12 services to that child or, if it is not possible to determine that school
13 district, the largest school district in the county.

14 *SEC. 8. Section 8150.5 of the Education Code is amended to*
15 *read:*

16 8150.5. Attendance of apprentices enrolled in any class
17 maintained by a ~~high school, unified school district, regional~~
18 ~~occupation center or program, or adult school~~, *local educational*
19 *agency*, pursuant to Section 3074 of the Labor Code, shall be
20 reimbursed pursuant to Section 8152 only if reported separately
21 to the Chancellor of the California Community Colleges.
22 Attendance reported pursuant to this section shall be used only for
23 purposes of calculating allowances pursuant to Section 8152.

24 *SEC. 9. Section 8151 of the Education Code is amended to*
25 *read:*

26 8151. An apprentice attending a ~~high school, unified school~~
27 ~~district, regional occupational center or program, or adult school~~
28 *local educational agency* in classes of related and supplemental
29 instruction as provided under Section 3074 of the Labor Code and
30 in accordance with the requirements of subdivision (d) of Section
31 3078 of the Labor Code shall be exempt from the requirements of
32 any interdistrict attendance agreement for those classes.

33 *SEC. 10. Section 8152 of the Education Code is amended to*
34 *read:*

35 8152. (a) The reimbursement rate shall be established in the
36 annual Budget Act and the rate shall be commonly applied to all
37 providers of instruction specified in subdivision (d).

38 (b) For purposes of this section, each hour of teaching time may
39 include up to 10 minutes of passing time and breaks.

1 (c) This section also applies to isolated apprentices, as defined
2 in Section 3074 of the Labor Code, for which alternative methods
3 of instruction are provided.

4 (d) The Chancellor of the California Community Colleges shall
5 make the reimbursements specified in this section for teaching
6 time provided by ~~high schools, unified school districts, regional~~
7 ~~occupational centers or programs, or adult schools.~~ *local*
8 *educational agencies.*

9 (e) The hours for related and supplemental instruction derived
10 from funds appropriated pursuant to subdivision (b) of Section
11 8150 shall be allocated by the Chancellor of California Community
12 Colleges directly to participating local educational agencies that
13 contract with apprenticeship programs pursuant to subdivision (f).

14 (f) Reimbursements may be made under this section for related
15 and supplemental instruction provided to indentured apprentices
16 only if the instruction is provided by a program approved by the
17 Division of Apprenticeship Standards in the Department of
18 Industrial Relations in accordance with Chapter 4 (commencing
19 with Section 3070) of Division 3 of the Labor Code.

20 (g) The initial allocation of hours made pursuant to subdivision
21 (e) for related and supplemental instruction at the beginning of
22 any fiscal year when multiplied by the hourly reimbursement rate
23 shall equal 100 percent of the total appropriation for
24 apprenticeships.

25 (h) If funds remain from the appropriation pursuant to
26 subdivision (b) of Section 8150, the Chancellor of the California
27 Community Colleges shall reimburse local educational agencies
28 for unfunded related and supplemental instruction hours from any
29 of the three previous fiscal years, in the following order:

30 (1) Reported related and supplemental instruction hours as
31 described in subdivision (b) of Section 8154 that were paid at a
32 rate less than the hourly rate specified in the Budget Act.

33 (2) Reported related and supplemental instruction hours that
34 were not reimbursed.

35 *SEC. 11. Section 8154 of the Education Code is amended to*
36 *read:*

37 8154. (a) The Chancellor of the California Community
38 Colleges, in consultation with the Division of Apprenticeship
39 Standards of the Department of Industrial Relations and the
40 Superintendent, shall annually review the amount of state funding

1 necessary to provide the reimbursements specified in Section 8152,
2 and shall include an estimate of required funds in its budget for
3 each fiscal year.

4 (b) If the amounts appropriated in any fiscal year are insufficient
5 to provide full reimbursement, the hourly rate specified ~~in~~ *pursuant*
6 *to* Section 8152 shall be reduced on a pro rata basis only for
7 reported hours that are in excess of the number of hours allocated
8 at the beginning of the fiscal year so that the entire appropriation
9 is allocated.

10 (c) If the amount appropriated is in excess of the amounts needed
11 for full reimbursement pursuant to subdivision (h) of Section 8152,
12 any excess shall be allocated to ~~school and community college~~
13 ~~districts~~ *local educational agencies* to be used for the purpose of
14 the state general apportionment.

15 *SEC. 12. Section 8155 of the Education Code is amended to*
16 *read:*

17 8155. (a) The Chancellor of the California Community
18 Colleges and the Division of Apprenticeship Standards of the
19 Department of Industrial Relations, in consultation with the
20 Superintendent, shall jointly develop a model format for
21 agreements between apprenticeship programs and local educational
22 agencies for instruction pursuant to Section 3074 of the Labor
23 Code.

24 (b) By ~~March 15, 14, 2014~~, the Chancellor of the California
25 Community Colleges and the Division of Apprenticeship Standards
26 of the Department of Industrial Relations, with equal participation
27 by local educational agencies and community college
28 apprenticeship administrators, shall develop common
29 administrative practices and treatment of costs and services, as
30 well as other policies related to apprenticeship programs. Any
31 policies developed pursuant to the this subdivision shall become
32 operative upon approval by the California Apprenticeship Council.

33 (c) Apprenticeship programs offered through local educational
34 agencies may maintain their existing curriculum and instructors
35 separate from the requirements of the California Community
36 Colleges. The person providing instruction may be a qualified
37 journey person with experience and knowledge of the trade.

38 *SEC. 13. Section 35736.5 of the Education Code is amended*
39 *to read:*

35736.5. Sections 35735 to 35736, inclusive, shall only apply to actions to reorganize school districts ~~initiated on or after July 1, 2013,~~ for which the order to reorganize, pursuant to Section 35765, is appropriately filed after December 1, 2013, pursuant to Section 54902 of the Government Code. Actions to reorganize school districts ~~initiated before July 1, 2013,~~ for which the order to reorganize is appropriately filed on or before December 1, 2013, shall be implemented pursuant to Sections 35735 to 35736, inclusive, as those sections read on January 1, 2013.

SEC. 14. Section 41365 of the Education Code is amended to read:

41365. (a) The Charter School Revolving Loan Fund is hereby created in the State Treasury. The Charter School Revolving Loan Fund shall be composed of federal funds obtained by the state for charter schools and any other funds appropriated or transferred to the fund through the annual budget process. Funds appropriated to the Charter School Revolving Loan Fund shall remain available for purposes of the fund until reappropriated or reverted by the Legislature through the annual Budget Act or any other act.

(b) Commencing with the 2013–14 fiscal year, the *administration of the* Charter School Revolving Loan Fund shall be ~~administered by~~ *transferred to* the California School Finance Authority.

(c) Loans may be made from moneys in the Charter School Revolving Loan Fund to a chartering authority for charter schools that are not a conversion of an existing school, or directly to a charter school that qualifies to receive funding pursuant to Chapter 6 (commencing with Section 47630) *of Part 26.8 of Division 4* that is not a conversion of an existing school, upon application of a chartering authority or charter school and approval by the California School Finance Authority. Money loaned to a chartering authority for a charter school, or to a charter school, pursuant to this section shall be used only to meet the purposes of the charter granted pursuant to Section 47605. The loan to a chartering authority for a charter school, or to a charter school, pursuant to this subdivision shall not exceed two hundred fifty thousand dollars (\$250,000) over the lifetime of the charter school. A charter school may receive money obtained from multiple loans made directly to the charter school or to the school's chartering authority from the Charter School Revolving Loan Fund, as long as the total

1 amount received from the fund over the lifetime of the charter
2 school does not exceed two hundred fifty thousand dollars
3 (\$250,000). This subdivision does not apply to a charter school
4 that obtains renewal of a charter pursuant to Section 47607.

5 (d) The California School Finance Authority may consider all
6 of the following when making a determination as to the approval
7 of a charter school's loan application:

8 (1) Soundness of the financial business plans of the applicant
9 charter school.

10 (2) Availability of the charter school of other sources of funding.

11 (3) Geographic distribution of loans made from the Charter
12 School Revolving Loan Fund.

13 (4) The impact that receipt of funds received pursuant to this
14 section will have on the charter school's receipt of other private
15 and public financing.

16 (5) Plans for creative uses of the funds received pursuant to this
17 section, such as loan guarantees or other types of credit
18 enhancements.

19 (6) The financial needs of the charter school.

20 (e) Priority for loans from the Charter School Revolving Loan
21 Fund shall be given to new charter schools for startup costs.

22 (f) Commencing with the first fiscal year following the fiscal
23 year the charter school receives the loan, the Controller shall deduct
24 from apportionments made to the chartering authority or charter
25 school, as appropriate, an amount equal to the annual repayment
26 of the amount loaned to the chartering authority or charter school
27 for the charter school under this section and pay the same amount
28 into the Charter School Revolving Loan Fund in the State Treasury.
29 Repayment of the full amount loaned to the chartering authority
30 *or charter school* shall be deducted by the Controller in equal
31 annual amounts over a number of years agreed upon between the
32 loan recipient and the ~~California School Finance Authority~~, *state*
33 *agency authorized to administer the Charter School Revolving*
34 *Loan Fund and the Charter School Security Fund*, not to exceed
35 five years for any loan.

36 (g) (1) Notwithstanding any other law, a loan may be made
37 directly to a charter school pursuant to this section only in the case
38 of a charter school that is incorporated.

(2) Notwithstanding any other law, in the case of default of a loan made directly to a charter school pursuant to this section, the charter school shall be solely liable for repayment of the loan.

~~(h) The California School Finance Authority shall adopt emergency regulations to implement this section and Sections 41366.6 and 41367.~~

(h) The California School Finance Authority may adopt any necessary rules and regulations for the implementation of this section and Sections 41366.6 and 41367. Any regulations adopted pursuant to this section may be adopted as emergency regulations in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of public peace, health and safety, or general welfare.

SEC. 15. Section 41367 of the Education Code is amended to read:

41367. (a) The Charter School Security Fund is hereby created in the State Treasury.

(b) Moneys in the fund shall be available for deposit into the Charter School Revolving Loan Fund in case of default on any loan made from the Charter School Revolving Loan Fund.

(c) Commencing with the 2013–14 fiscal year, the administration of the Charter School Security Fund shall be ~~administered by~~ *transferred to* the California School Finance Authority.

SEC. 16. Section 42127 of the Education Code is amended to read:

42127. (a) On or before July 1 of each year, the governing board of each school district shall accomplish the following:

(1) Hold a public hearing on the budget to be adopted for the subsequent fiscal year. The budget to be adopted shall be prepared in accordance with Section 42126. The agenda for that hearing shall be posted at least 72 hours before the public hearing and shall include the location where the budget will be available for public inspection.

(A) For the 2011–12 fiscal year, notwithstanding any of the standards and criteria adopted by the state board pursuant to Section 33127, each school district budget shall project the same level of

1 revenue per unit of average daily attendance as it received in the
2 2010–11 fiscal year and shall maintain staffing and program levels
3 commensurate with that level.

4 (B) For the 2011–12 fiscal year, the school district shall not be
5 required to demonstrate that it is able to meet its financial
6 obligations for the two subsequent fiscal years.

7 (2) Adopt a budget. Not later than five days after that adoption
8 or by July 1, whichever occurs first, the governing board of the
9 school district shall file that budget with the county superintendent
10 of schools. The budget and supporting data shall be maintained
11 and made available for public review. If the governing board of
12 the school district does not want all or a portion of the property
13 tax requirement levied for the purpose of making payments for the
14 interest and redemption charges on indebtedness as described in
15 paragraph (1) or (2) of subdivision (b) of Section 1 of Article
16 XIII A of the California Constitution, the budget shall include a
17 statement of the amount or portion for which a levy shall not be
18 made. For the 2014–15 fiscal year and each fiscal year thereafter,
19 the governing board of the school district shall not adopt a budget
20 before the governing board of the school district adopts a local
21 control and accountability plan, if an existing local control and
22 accountability plan or annual update to a local control and
23 accountability plan is not effective for the budget year. The
24 governing board of a school district shall not adopt a budget that
25 does not include the expenditures necessary to implement the local
26 control and accountability plan or the annual update to a local
27 control and accountability plan that is effective during the
28 subsequent fiscal year.

29 (b) The county superintendent of schools may accept changes
30 in any statement included in the budget, pursuant to subdivision
31 (a), of the amount or portion for which a property tax levy shall
32 not be made. The county superintendent of schools or the county
33 auditor shall compute the actual amounts to be levied on the
34 property tax rolls of the school district for purposes that exceed
35 apportionments to the school district pursuant to Chapter 6
36 (commencing with Section 95) of Part 0.5 of Division 1 of the
37 Revenue and Taxation Code. Each school district shall provide all
38 data needed by the county superintendent of schools or the county
39 auditor to compute the amounts. On or before August 15, the
40 county superintendent of schools shall transmit the amounts

1 computed to the county auditor who shall compute the tax rates
2 necessary to produce the amounts. On or before September 1, the
3 county auditor shall submit the rate computed to the board of
4 supervisors for adoption.

5 (c) The county superintendent of schools shall do all of the
6 following:

7 (1) Examine the adopted budget to determine whether it
8 complies with the standards and criteria adopted by the state board
9 pursuant to Section 33127 for application to final local educational
10 agency budgets. The county superintendent of schools shall
11 identify, if necessary, technical corrections that are required to be
12 made to bring the budget into compliance with those standards
13 and criteria.

14 (2) Determine whether the adopted budget will allow the school
15 district to meet its financial obligations during the fiscal year and
16 is consistent with a financial plan that will enable the school district
17 to satisfy its multiyear financial commitments. In addition to his
18 or her own analysis of the budget of each school district, the county
19 superintendent of schools shall review and consider studies, reports,
20 evaluations, or audits of the school district that were commissioned
21 by the school district, the county superintendent of schools, the
22 Superintendent, and state control agencies and that contain
23 evidence that the school district is showing fiscal distress under
24 the standards and criteria adopted in Section 33127 or that contain
25 a finding by an external reviewer that more than three of the 15
26 most common predictors of a school district needing intervention,
27 as determined by the County Office Fiscal Crisis and Management
28 Assistance Team, are present. The county superintendent of schools
29 shall either conditionally approve or disapprove a budget that does
30 not provide adequate assurance that the school district will meet
31 its current and future obligations and resolve any problems
32 identified in studies, reports, evaluations, or audits described in
33 this paragraph.

34 (3) Determine whether the adopted budget includes the
35 expenditures necessary to implement the local control and
36 accountability plan or annual update to the local control and
37 accountability plan approved by the county superintendent of
38 schools.

39 (d) (1) On or before August 15, the county superintendent of
40 schools shall approve, conditionally approve, or disapprove the

1 adopted budget for each school district. For the 2014–15 fiscal
2 year and each fiscal year thereafter, the county superintendent of
3 schools shall disapprove a budget if the county superintendent of
4 schools determines that the budget does not include the
5 expenditures necessary to implement a local control and
6 accountability plan or an annual update to the local control and
7 accountability plan approved by the county superintendent of
8 schools. If a school district does not submit a budget to the county
9 superintendent of schools, the county superintendent of schools
10 shall develop, at school district expense, a budget for that school
11 district by September 15 and transmit that budget to the governing
12 board of the school district. The budget prepared by the county
13 superintendent of schools shall be deemed adopted, unless the
14 county superintendent of schools approves any modifications made
15 by the governing board of the school district. The approved budget
16 shall be used as a guide for the school district's priorities. The
17 Superintendent shall review and certify the budget approved by
18 the county. If, pursuant to the review conducted pursuant to
19 subdivision (c), the county superintendent of schools determines
20 that the adopted budget for a school district does not satisfy
21 paragraph ~~(1) or (2)~~ (1), (2), or (3) of that subdivision, he or she
22 shall conditionally approve or disapprove the budget and, not later
23 than August 15, transmit to the governing board of the school
24 district, in writing, his or her recommendations regarding revision
25 of the budget and the reasons for those recommendations,
26 including, but not limited to, the amounts of any budget
27 adjustments needed before he or she can approve that budget. The
28 county superintendent of schools may assign a fiscal adviser to
29 assist the school district to develop a budget in compliance with
30 those revisions. In addition, the county superintendent of schools
31 may appoint a committee to examine and comment on the
32 superintendent's review and recommendations, subject to the
33 requirement that the committee report its findings to the county
34 superintendent of schools no later than August 20. For the 2011–12
35 fiscal year, notwithstanding any of the standards and criteria
36 adopted by the state board pursuant to Section 33127, the county
37 superintendent of schools, as a condition on approval of a school
38 district budget, shall not require a school district to project a lower
39 level of revenue per unit of average daily attendance than it
40 received in the 2010–11 fiscal year nor require the school district

1 to demonstrate that it is able to meet its financial obligations for
2 the two subsequent fiscal years.

3 *(2) Notwithstanding any other provision of this article, for the*
4 *2014–15 fiscal year and each fiscal year thereafter, the budget*
5 *shall not be adopted or approved by the county superintendent of*
6 *schools before a local control and accountability plan or update*
7 *to an existing local control and accountability plan for the budget*
8 *year is approved.*

9 (e) On or before September 8, the governing board of the school
10 district shall revise the adopted budget to reflect changes in
11 projected income or expenditures subsequent to July 1, and to
12 include any response to the recommendations of the county
13 superintendent of schools, shall adopt the revised budget, and shall
14 file the revised budget with the county superintendent of schools.
15 Before revising the budget, the governing board of the school
16 district shall hold a public hearing regarding the proposed revisions,
17 to be conducted in accordance with Section 42103. In addition, if
18 the adopted budget is disapproved pursuant to subdivision (d), the
19 governing board of the school district and the county
20 superintendent of schools shall review the disapproval and the
21 recommendations of the county superintendent of schools regarding
22 revision of the budget at the public hearing. The revised budget
23 and supporting data shall be maintained and made available for
24 public review.

25 (1) For the 2011–12 fiscal year, notwithstanding any of the
26 standards and criteria adopted by the state board pursuant to Section
27 33127, each school district budget shall project the same level of
28 revenue per unit of average daily attendance as it received in the
29 2010–11 fiscal year and shall maintain staffing and program levels
30 commensurate with that level.

31 (2) For the 2011–12 fiscal year, the school district shall not be
32 required to demonstrate that it is able to meet its financial
33 obligations for the two subsequent fiscal years.

34 (f) On or before September 22, the county superintendent of
35 schools shall provide a list to the Superintendent identifying all
36 school districts for which budgets may be disapproved.

37 (g) (1) The county superintendent of schools shall examine
38 the revised budget to determine whether it (1) complies with the
39 standards and criteria adopted by the state board pursuant to Section
40 33127 for application to final local educational agency budgets,

(2) allows the school district to meet its financial obligations during the fiscal year, (3) satisfies all conditions established by the county superintendent of schools in the case of a conditionally approved budget, and (4) is consistent with a financial plan that will enable the school district to satisfy its multiyear financial commitments, and, not later than October 8, shall approve or disapprove the revised budget. If the county superintendent of schools disapproves the budget, he or she shall call for the formation of a budget review committee pursuant to Section 42127.1, unless the governing board of the school district and the county superintendent of schools agree to waive the requirement that a budget review committee be formed and the department approves the waiver after determining that a budget review committee is not necessary. Upon the grant of a waiver, the county superintendent of schools immediately has the authority and responsibility provided in Section 42127.3. Upon approving a waiver of the budget review committee, the department shall ensure that a balanced budget is adopted for the school district by November 30. If no budget is adopted by November 30, the Superintendent may adopt a budget for the school district. The Superintendent shall report to the Legislature and the Director of Finance by December 10 if any school district, including a school district that has received a waiver of the budget review committee process, does not have an adopted budget by November 30. This report shall include the reasons why a budget has not been adopted by the deadline, the steps being taken to finalize budget adoption, the date the adopted budget is anticipated, and whether the Superintendent has or will exercise his or her authority to adopt a budget for the school district. For the 2011–12 fiscal year, notwithstanding any of the standards and criteria adopted by the state board pursuant to Section 33127, the county superintendent of schools, as a condition on approval of a school district budget, shall not require a school district to project a lower level of revenue per unit of average daily attendance than it received in the 2010–11 fiscal year nor require the school district to demonstrate that it is able to meet its financial obligations for the two subsequent fiscal years.

(2) Notwithstanding any other law, for the 2014–15 fiscal year and each fiscal year thereafter, if the county superintendent of schools disapproves the budget for the sole reason that the county superintendent of schools has not approved a local control and

1 *accountability plan or an annual update to the local control and*
2 *accountability plan filed by the school district pursuant to Section*
3 *52061, the county superintendent of schools shall not call for the*
4 *formation of a budget review committee pursuant to Section*
5 *42127.1.*

6 (h) Not later than October 8, the county superintendent of
7 schools shall submit a report to the Superintendent identifying all
8 school districts for which budgets have been disapproved or budget
9 review committees waived. The report shall include a copy of the
10 written response transmitted to each of those school districts
11 pursuant to *paragraph (1) of subdivision (d)*.

12 (i) Notwithstanding any other provision of this section, the
13 budget review for a school district shall be governed by paragraphs
14 (1), (2), and (3), rather than by subdivisions (e) and (g), if the
15 governing board of the school district so elects and notifies the
16 county superintendent of schools in writing of that decision, not
17 later than October 31 of the immediately preceding calendar year.
18 On or before July 1, the governing board of a school district for
19 which the budget review is governed by this subdivision, rather
20 than by subdivisions (e) and (g), shall conduct a public hearing
21 regarding its proposed budget in accordance with Section 42103.

22 (1) If the adopted budget of a school district is disapproved
23 pursuant to subdivision (d), on or before September 8, the
24 governing board of the school district, in conjunction with the
25 county superintendent of schools, shall review the superintendent's
26 recommendations at a regular meeting of the governing board of
27 the school district and respond to those recommendations. The
28 response shall include any revisions to the adopted budget and
29 other proposed actions to be taken, if any, as a result of those
30 recommendations.

31 (2) On or before September 22, the county superintendent of
32 schools shall provide a list to the Superintendent identifying all
33 school districts for which a budget may be tentatively disapproved.

34 (3) Not later than October 8, after receiving the response
35 required under paragraph (1), the county superintendent of schools
36 shall review that response and either approve or disapprove the
37 budget. *Except as provided in paragraph (2) of subdivision (g),*
38 *if the county superintendent of schools disapproves the budget, he*
39 *or she shall call for the formation of a budget review committee*
40 *pursuant to Section 42127.1, unless the governing board of the*

1 school district and the county superintendent of schools agree to
 2 waive the requirement that a budget review committee be formed
 3 and the department approves the waiver after determining that a
 4 budget review committee is not necessary. Upon the grant of a
 5 waiver, the county superintendent has the authority and
 6 responsibility provided to a budget review committee in Section
 7 42127.3. Upon approving a waiver of the budget review committee,
 8 the department shall ensure that a balanced budget is adopted for
 9 the school district by November 30. The Superintendent shall
 10 report to the Legislature and the Director of Finance by December
 11 10 if any school district, including a school district that has received
 12 a waiver of the budget review committee process, does not have
 13 an adopted budget by November 30. This report shall include the
 14 reasons why a budget has not been adopted by the deadline, the
 15 steps being taken to finalize budget adoption, and the date the
 16 adopted budget is anticipated. For the 2011–12 fiscal year,
 17 notwithstanding any of the standards and criteria adopted by the
 18 state board pursuant to Section 33127, the county superintendent
 19 of schools, as a condition on approval of a school district budget,
 20 shall not require a school district to project a lower level of revenue
 21 per unit of average daily attendance than it received in the 2010–11
 22 fiscal year nor require the school district to demonstrate that it is
 23 able to meet its financial obligations for the two subsequent fiscal
 24 years.

25 (4) Not later than 45 days after the Governor signs the annual
 26 Budget Act, the school district shall make available for public
 27 review any revisions in revenues and expenditures that it has made
 28 to its budget to reflect the funding made available by that Budget
 29 Act.

30 (j) Any school district for which the county board of education
 31 serves as the governing board of the school district is not subject
 32 to subdivisions (c) to (h), inclusive, but is governed instead by the
 33 budget procedures set forth in Section 1622.

34 *SEC. 17. Section 42238.01 of the Education Code is amended*
 35 *to read:*

36 42238.01. For purposes of Section 42238.02, the following
 37 definitions shall apply:

38 (a) “Eligible for free or reduced-price-meal” *meals*” means
 39 determined to meet federal *income* eligibility criteria *or deemed*
 40 *to be categorically eligible* for free or reduced-price meals—~~as~~

1 ~~specified in Section 49531, as that section read on January 1, 2013,~~
2 ~~except in regard to meals in family day care homes: under the~~
3 ~~National School Lunch Program, as described in Part 245 of Title~~
4 ~~7 of the Code of Federal Regulations.~~

5 (b) “Foster youth” means a foster child, as described in
6 subdivision (a) of Section 48853.5, or a nonminor under the
7 transition jurisdiction of the juvenile court, as described in Section
8 450 of the Welfare and Institutions Code, who satisfies all of the
9 following criteria:

10 (1) He or she has attained 18 years of age while under an order
11 of foster care placement by the juvenile court, and is not more than
12 19 years of age on or after January 1, 2012, not more than 20 years
13 of age on or after January 1, 2013, and not more than 21 years of
14 age, on or after January 1, 2014, and as described in Section
15 10103.5 of the Welfare and Institutions Code.

16 (2) He or she is in foster care under the placement and care
17 responsibility of the county welfare department, county probation
18 department, Indian tribe, consortium of tribes, or tribal organization
19 that entered into an agreement pursuant to Section 10553.1 of the
20 Welfare and Institutions Code.

21 (3) He or she is participating in a transitional independent living
22 case plan pursuant to Section 475(8) of the federal Social Security
23 Act (42 U.S.C. Sec. 675(8)), as contained in the federal Fostering
24 Connections to Success and Increasing Adoptions Act of 2008
25 (Public Law 110-351), as described in Section 11403 of the
26 Welfare and Institutions Code.

27 (c) “Pupils of limited English proficiency” means pupils who
28 do not have the clearly developed English language skills of
29 comprehension, speaking, reading, and writing necessary to receive
30 instruction only in English at a level substantially equivalent to
31 pupils of the same age or grade whose primary language is English.
32 “English learner” shall have the same meaning as is provided for
33 in subdivision (a) of Section 306 and as “pupils of limited English
34 proficiency.”

35 *SEC. 18. Section 42238.02 of the Education Code is amended*
36 *to read:*

37 42238.02. (a) The amount computed pursuant to this section
38 shall be known as the school district and charter school local
39 control funding formula.

(b) (1) For purposes of this section “unduplicated pupil” means a pupil enrolled in a school district or a charter school who is either classified as an English learner, eligible ~~to receive~~ *for* a free or reduced-price meal, or is a foster youth. A pupil shall be counted only once for purposes of this section if any of the following apply:

(A) The pupil is classified as an English learner and is eligible for a free or reduced-price meal.

(B) The pupil is classified as an English learner and is a foster youth.

(C) The pupil is eligible for a free or reduced-price meal and is classified as a foster youth.

(D) The pupil is classified as an English learner, is eligible for a free or reduced-price meal, and is a foster youth.

(2) ~~Commencing~~ *Under procedures and timeframes established by the Superintendent, commencing with the 2013–14 fiscal year,* a school district or charter school shall annually ~~report~~ *submit* its enrolled free and reduced-price meal eligibility, foster youth, and English learner pupil-level records *for enrolled pupils* to the Superintendent using the California Longitudinal Pupil Achievement Data System.

(3) (A) Commencing with the 2013–14 fiscal year, a county office of education shall review and validate ~~reported~~ *certified aggregate* English learner, foster youth, and free or reduced-price meal eligible pupil data for school districts and charter schools under its jurisdiction to ensure the data is reported accurately. The Superintendent shall provide each county office of education with appropriate access to school district and charter school data reports in the California Longitudinal Pupil Achievement Data System for purposes of ensuring data reporting accuracy.

(B) The Controller shall include the instructions necessary to enforce paragraph (2) in the audit guide required by Section 14502.1. The instructions shall include, but are not necessarily limited to, procedures for determining if the English learner, foster youth, and free or reduced-price meal eligible pupil counts are consistent with the school district’s or charter school’s English learner, foster youth, and free or reduced-price meal eligible pupil records.

(4) The Superintendent shall make the calculations pursuant to this section using the data submitted by local educational agencies, including charter schools, through the California Longitudinal

1 Pupil Achievement Data System. ~~The Superintendent shall~~
2 ~~authorize~~ *Under timeframes and procedures established by the*
3 *Superintendent*, school districts and charter schools ~~to~~ *may* review
4 and revise, as necessary, *revise* their submitted data on English
5 learner, foster youth, and free or reduced-price meal eligible pupil
6 counts to ensure the accuracy of data reflected in the California
7 Longitudinal Pupil Achievement Data System.

8 (5) The Superintendent shall annually compute the percentage
9 of unduplicated pupils for each school district and charter school
10 by dividing the enrollment of unduplicated pupils in a school
11 district or charter school by the total enrollment in that school
12 district or charter school pursuant to all of the following:

13 (A) For the 2013–14 fiscal year, divide the sum of unduplicated
14 pupils for the 2013–14 fiscal year by the sum of the total pupil
15 enrollment for the 2013–14 fiscal year.

16 (B) For the 2014–15 fiscal year, divide the sum of unduplicated
17 pupils for the 2013–14 and 2014–15 fiscal years by the sum of the
18 total pupil enrollment for the 2013–14 and 2014–15 fiscal years.

19 (C) For the 2015–16 fiscal year and each fiscal year thereafter,
20 divide the sum of unduplicated pupils for the current fiscal year
21 and the two prior fiscal years by the sum of the total pupil
22 enrollment for the current fiscal year and the two prior fiscal years.

23 (c) Commencing with the 2013–14 fiscal year and each fiscal
24 year thereafter, the Superintendent shall annually calculate a local
25 control funding formula grant for each school district and charter
26 school in the state pursuant to this section.

27 (d) The Superintendent shall compute a grade span adjusted
28 base grant equal to the total of the following amounts:

29 (1) For the 2013–14 fiscal year, a base grant of:

30 (A) Six thousand eight hundred forty-five dollars (\$6,845) for
31 average daily attendance in kindergarten and grades 1 to 3,
32 inclusive.

33 (B) Six thousand nine hundred forty-seven dollars (\$6,947) for
34 average daily attendance in grades 4 to 6, inclusive.

35 (C) Seven thousand one hundred fifty-four dollars (\$7,154) for
36 average daily attendance in grades 7 and 8.

37 (D) Eight thousand two hundred eighty-nine dollars (\$8,289)
38 for average daily attendance in grades 9 to 12, inclusive.

39 (2) In each year the grade span adjusted base grants in paragraph
40 (1) shall be adjusted by the percentage change in the annual average

value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as reported by the Department of Finance.

(3) (A) The Superintendent shall compute an additional adjustment to the kindergarten and grades 1 to 3, inclusive, base grant as adjusted for inflation pursuant to paragraph (2) equal to 10.4 percent. The additional grant shall be calculated by multiplying the kindergarten and grades 1 to 3, inclusive, base ~~grant~~ *grant*, as adjusted by paragraph ~~(2)~~ (2), by 10.4 percent.

(B) Until paragraph (4) of subdivision (b) of Section 42238.03 is effective, as a condition of the receipt of funds in this paragraph, a school district shall make progress toward maintaining an average class enrollment of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative annual average class enrollment for each schoolsite in those grades is agreed to by the school district, pursuant to the following calculation:

(i) Determine a school district's average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the prior year. For the 2013–14 fiscal year, this amount shall be the average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, in the 2012–13 fiscal year.

(ii) Determine a school district's ~~percentage~~ *proportion* of total need pursuant to paragraph (2) of subdivision (b) of Section 42238.03.

(iii) Determine the percentage of the need calculated in clause (ii) that is met by funding provided to the school district pursuant to paragraph (3) of subdivision (b) of Section 42238.03.

(iv) Determine the difference between the amount computed pursuant to clause (i) and an average class enrollment of not more than 24 pupils.

(v) Calculate a current year average class enrollment adjustment for each schoolsite for kindergarten and grades 1 to 3, inclusive,

1 equal to the adjustment calculated in clause (iv) multiplied by the
2 percentage determined pursuant to clause (iii).

3 (C) School districts that have an average class enrollment for
4 each schoolsite for kindergarten and grades 1 to 3, inclusive, of
5 24 pupils or less for each schoolsite in the 2012–13 fiscal year,
6 shall be exempt from the requirements of subparagraph (B) so long
7 as the school district continues to maintain an average class
8 enrollment for each schoolsite for kindergarten and grades 1 to 3,
9 inclusive, of not more than 24 pupils, unless a collectively
10 bargained alternative ratio is agreed to by the school district.

11 (D) Upon full implementation of the local control funding
12 formula, as a condition of the receipt of funds in this paragraph,
13 all school districts shall maintain an average class enrollment for
14 each schoolsite for kindergarten and grades 1 to 3, inclusive, of
15 not more than 24 pupils for each schoolsite in kindergarten and
16 grades 1 to 3, inclusive, unless a collectively bargained alternative
17 ratio is agreed to by the school district.

18 (E) The average class enrollment requirement for each schoolsite
19 for kindergarten and grades 1 to 3, inclusive, established pursuant
20 to this paragraph shall not be subject to waiver by the state board
21 pursuant to Section 33050 or by the Superintendent.

22 (F) The Controller shall include the instructions necessary to
23 enforce this paragraph in the audit guide required by Section
24 14502.1. The instructions shall include, but are not necessarily
25 limited to, procedures for determining if the average class
26 enrollment for each schoolsite for kindergarten and grades 1 to 3,
27 inclusive, exceeds 24 *pupils*, or an alternative average class
28 enrollment for each schoolsite pursuant to a collectively bargained
29 alternative ratio. The procedures for determining average class
30 enrollment for each schoolsite shall include criteria for employing
31 sampling.

32 (4) The Superintendent shall compute an additional adjustment
33 to the base grant for grades 9 to 12, inclusive, as adjusted for
34 inflation pursuant to paragraph (2), equal to 2.6 percent. The
35 additional grant shall be calculated by multiplying the base grant
36 for grades 9 to 12, inclusive, as adjusted by paragraph (2), by 2.6
37 percent.

38 (e) The Superintendent shall compute a supplemental grant
39 add-on equal to 20 percent of the base grants as specified in
40 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision

(d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b). The supplemental grant shall be calculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 20 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in that school district or charter school. The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.

(f) (1) The Superintendent shall compute a concentration grant add-on equal to 50 percent of the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), for each school district's or charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district's or charter school's total enrollment. The concentration grant shall be calculated by multiplying the base ~~grant~~ *grants* as specified in subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 50 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the total enrollment in that school district or charter school. ~~For~~

(2) *For* a charter school physically located in only one school district, the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent of the school district in which the charter school is physically located. *For* a charter school physically located in more than one school district *because of overlapping school district boundaries*, the charter school's percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent used to calculate concentration grants shall not exceed that of the school district with the highest percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in excess of 55 percent

1 of the school districts in which the charter school has a school
2 facility. ~~The concentration grant shall be expended in accordance~~
3 ~~with the regulations adopted pursuant to Section 42238.07. For a~~
4 *charter school physically located in more than one school district*
5 *because it provides classroom-based instruction in more than one*
6 *physical location, the percentage of unduplicated pupils of that*
7 *charter school shall not exceed the percentage of unduplicated*
8 *pupils of the school district in which the highest proportion of the*
9 *charter school's average daily attendance is generated through*
10 *classroom-based instruction, as defined in paragraph (1) of*
11 *subdivision (e) of Section 47612.5. If a charter school provides*
12 *nonclassroom-based instruction, as defined in paragraph (2) of*
13 *subdivision (e) of Section 47612.5, the percentage of unduplicated*
14 *pupils of that charter school shall not exceed the percentage of*
15 *unduplicated pupils of the charter school's chartering authority,*
16 *or, for a charter school approved pursuant to paragraph (1) or*
17 *(2) of subdivision (i) of Section 47632, the charter school's*
18 *sponsoring school district.*

19 (3) (A) *Notwithstanding paragraph (2), for a charter school*
20 *authorized by a county board of education pursuant to Section*
21 *47605.5 or 47605.6, for purposes of calculating the concentration*
22 *grant for the charter school, the percentage of unduplicated pupils*
23 *shall not exceed the average percentage of unduplicated pupils*
24 *within the boundaries of the county.*

25 (B) *Notwithstanding paragraph (2), for a charter school*
26 *authorized by the state board pursuant to Section 47605.8, for*
27 *purposes of calculating the concentration grant for the charter*
28 *school, the percentage of unduplicated pupils shall not exceed the*
29 *statewide average percentage of unduplicated pupils.*

30 (4) *The concentration grant computed pursuant to paragraphs*
31 *(1) to (3), inclusive, shall be expended in accordance with the*
32 *regulations adopted pursuant to Section 42238.07.*

33 (g) The Superintendent shall compute an add-on to the total
34 sum of a school district's or charter school's base, supplemental,
35 and concentration grants equal to the amount of funding a school
36 district or charter school received from funds allocated pursuant
37 to the Targeted Instructional Improvement Block Grant program,
38 as set forth in Article 6 (commencing with Section 41540) of
39 Chapter 3.2, for the 2012–13 fiscal year, as that article read on
40 January 1, 2013. A school district or charter school shall not receive

1 a total funding amount from this add-on greater than the total
2 amount of funding received by the school district or charter school
3 from that program in the 2012–13 fiscal year. The amount
4 computed pursuant to this subdivision shall reflect the reduction
5 specified in paragraph (2) of subdivision (a) of Section 42238.03.

6 (h) The Superintendent shall compute an add-on to the total
7 sum of a school district's or charter school's base, supplemental,
8 and concentration grants equal to the amount of funding a school
9 district or charter school received from funds allocated pursuant
10 to the Home-to-School Transportation program, as set forth in
11 former Article 2 (commencing with Section 39820) of Chapter 1
12 of Part 23.5, former Article 10 (commencing with Section 41850)
13 of Chapter 5, and the Small School District Transportation
14 program, as set forth in former Article 4.5 (commencing with
15 Section 42290), for the 2012–13 fiscal year. A school district or
16 charter school shall not receive a total funding amount from this
17 add-on greater than the total amount received by the school district
18 or charter school for ~~that program~~ *those programs* in the 2012–13
19 fiscal year. The amount computed pursuant to this subdivision
20 shall reflect the reduction specified in paragraph (2) of subdivision
21 (a) of Section 42238.03.

22 (i) (1) The sum of the local control funding formula rates
23 computed pursuant to subdivisions (c) to (f), inclusive, shall be
24 multiplied by:

25 (A) For school districts, the average daily attendance of the
26 school district in the corresponding grade level ranges computed
27 pursuant to Section 42238.05, *excluding the average daily*
28 *attendance computed pursuant to paragraph (2) of subdivision (a)*
29 *of Section 42238.05 for purposes of the computation specified in*
30 *subdivision (d).*

31 (B) For charter schools, the total current year average daily
32 attendance in the corresponding grade level ranges.

33 (2) ~~(A)~~ The amount computed pursuant to Article 4
34 (commencing with Section 42280) shall be added to the amount
35 computed pursuant to paragraphs (1) to (4), inclusive, of
36 subdivision (d), as multiplied by subparagraph (A) or (B) of
37 paragraph (1), as appropriate.

38 ~~(B) The amount added pursuant to this paragraph shall not~~
39 ~~change the calculation of a school district's or charter school's~~
40 ~~supplemental grant or concentration grant.~~

(j) The Superintendent shall adjust the sum of each school district's or charter school's amount determined in subdivisions (g) to (i), inclusive, pursuant to the calculation specified in Section 42238.03, less the sum of the following:

(1) (A) For school districts, the property tax revenue received pursuant to Chapter 3.5 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

(B) For charter schools, the in-lieu property tax amount provided to a charter school pursuant to Section 47635.

(2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of Division 2 of the Revenue and Taxation Code.

(3) The amount, if any, received pursuant to Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code.

(4) Prior years' taxes and taxes on the unsecured roll.

(5) Fifty percent of the amount received pursuant to Section 41603.

(6) The amount, if any, received pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), less any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance and that is not an amount received pursuant to Section 33492.15, or paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

(7) The amount, if any, received pursuant to Sections ~~34183~~ 34177, 34179.5, 34179.6, 34183, and 34188 of the Health and Safety Code.

(8) Revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(k) A school district shall annually transfer to each of its charter schools funding in lieu of property taxes pursuant to Section 47635.

(l) (1) Nothing in this section shall be interpreted to authorize a school district that receives funding on behalf of a charter school pursuant to Section 47651 to redirect this funding for another

1 purpose unless otherwise authorized in law pursuant to paragraph
2 (2) or pursuant to an agreement between ~~a~~ *the* charter school and
3 its chartering authority.

4 (2) A school district that ~~receives~~ *received* funding on behalf
5 of a locally funded charter school *in the 2012–13 fiscal year*
6 pursuant to paragraph (2) of subdivision (b) of Section 42605,
7 Section 42606, and subdivision (b) of Section ~~47634~~ *in the*
8 ~~2012–13 fiscal year~~ *47634.1, as those sections read on January*
9 *1, 2013, or a school district that was required to pass through*
10 *funding to a conversion charter school in the 2012–13 fiscal year*
11 *pursuant to paragraph (2) of subdivision (b) of Section 42606, as*
12 *that section read on January 1, 2013, may annually redirect for*
13 *another purpose a percentage of the amount of the funding received*
14 *on behalf of that charter school. The percentage of funding that*
15 *may be redirected shall be determined pursuant to the following*
16 *computation:*

17 (A) (i) Determine the sum of the need fulfilled for that charter
18 school pursuant to paragraph (3) of subdivision (b) of Section
19 42238.03 in the then current fiscal year for the charter school.

20 (ii) Determine the sum of the need fulfilled in every fiscal year
21 before the then current fiscal year pursuant to paragraph (3) of
22 subdivision (b) of Section 42238.03 adjusted for changes in average
23 daily attendance pursuant to paragraph (3) of subdivision (a) of
24 Section 42238.03 for the charter school.

25 (iii) Subtract the amount computed pursuant to paragraphs (1)
26 to (3), inclusive, of subdivision (a) of Section 42238.03 from the
27 amount computed for that charter school under the local control
28 funding formula entitlement computed pursuant to subdivision (i)
29 of Section 42238.02.

30 (iv) Compute a percentage by dividing the sum of the amounts
31 computed to clauses (i) and (ii) by the amount computed pursuant
32 to clause (iii).

33 (B) Multiply the percentage computed pursuant to subparagraph
34 (A) by the amount of funding the school district received on behalf
35 of the charter school *in the 2012–13 fiscal year* pursuant to
36 paragraph (2) of subdivision (b) of Section 42605, Section 42606,
37 and subdivision (b) of Section ~~47634~~ *for the 2012–13 fiscal year.*
38 *47634.1, as those sections read on January 1, 2013.*

39 (C) The maximum amount that may be redirected shall be the
40 lesser of the amount of funding the school district received on

1 behalf of the charter school *in the 2012–13 fiscal year* pursuant to
2 paragraph (2) of subdivision (b) of Section 42605, Section 42606,
3 and subdivision (b) of Section ~~47634~~ *for the 2012–13 fiscal year*
4 ~~47634.1~~, *as those sections read on January 1, 2013*, or the amount
5 computed pursuant to subparagraph (B).

6 (3) Commencing with the 2013–14 fiscal year, a school district
7 operating one or more affiliated charter schools shall provide each
8 affiliated charter school schoolsite with no less than the amount
9 of funding the schoolsite received pursuant to the charter school
10 block grant in the 2012–13 fiscal year.

11 (m) Any calculations in law that are used for purposes of
12 determining if a local educational agency is an excess tax school
13 entity or basic aid school district, including, but not limited to, this
14 section and Sections 42238.03, 41544, ~~47660~~, 47632, ~~47660~~,
15 47663, 48310, and 48359.5, and Section 95 of the Revenue and
16 Taxation Code, shall be made exclusive of the revenue received
17 pursuant to subparagraph (B) of paragraph (3) of subdivision (e)
18 of Section 36 of Article XIII of the California Constitution.

19 (n) *The funds apportioned pursuant to this section and Section*
20 *42238.03 shall be available to implement the activities required*
21 *pursuant to Article 4.5 (commencing with Section 52060) of*
22 *Chapter 6.1 of Part 28 of Division 4 of Title 2.*

23 ~~(n)~~
24 (o) A school district that does not receive an apportionment of
25 state funds pursuant to this section, as implemented pursuant to
26 Section 42238.03, excluding funds apportioned pursuant to the
27 requirements of subdivision ~~(d)~~ (e) of Section 42238.03 shall be
28 considered a “basic aid school district” or an “excess tax entity.”

29 ~~(o) The funds apportioned pursuant to this section and Section~~
30 ~~42238.03 shall be available to implement the activities required~~
31 ~~pursuant to Article 4.5 (commencing with Section 52060) of~~
32 ~~Chapter 6.1 of Part 28 of Division 4 of Title 2.~~

33 *SEC. 19. Section 42238.025 of the Education Code is amended*
34 *to read:*

35 42238.025. (a) In the 2013–14 fiscal year, the Superintendent
36 shall compute an economic recovery target rate for each school
37 district and charter school equal to the sum of the following:

38 (1) (A) For each school district, the school district’s revenue
39 limit in the 2012–13 fiscal year as computed pursuant to this article,
40 as this article read on January 1, 2013, divided by the 2012–13

fiscal year average daily attendance of the school district computed pursuant to Section 42238.05. *For purposes of this section, average daily attendance shall include any applicable revenue limit average daily attendance and shall be considered final for purposes of this section as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.*

(B) For each charter school, the charter school’s general purpose funding as computed pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4, as that article read on January 1, 2013, and the in-lieu property tax amount provided to the charter school pursuant to Section 47635, as that section read on January 1, 2013, divided by the 2012–13 fiscal year average daily attendance of the ~~school district~~ *charter school* computed pursuant to Section 42238.05. *For purposes of this section, average daily attendance shall include any applicable charter school general purpose funding average daily attendance and shall be considered final for purposes of this section as of the annual apportionment for the 2012–13 fiscal year, as calculated for purposes of the certification required on or before February 20, 2014, pursuant to Sections 41332 and 41339.*

(C) The amounts determined pursuant to subparagraphs (A) and (B) ~~of this paragraph~~ shall not reflect the deficit factor adjustments set forth in Section 42238.146 as that section read on January 1, 2013.

(D) The amounts determined pursuant to ~~this subdivision~~ *subparagraphs (A) and (B)* shall be adjusted for the ~~cost of living~~ *cost-of-living adjustment* for the 2013–14 fiscal year pursuant to paragraph (2) of subdivision (d) of Section 42238.02 and an annual average cost-of-living adjustment of 1.94 percent for the 2014–15 fiscal year to the 2020–21 fiscal year, inclusive.

(2) (A) For each school district and charter school, the sum of the entitlements from items contained in Section 2.00 of the Budget Act of 2012 for Items 6110-104-0001, 6110-105-0001, 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001,

1 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001,
2 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001,
3 6110-267-0001, 6110-268-0001, 6360-101-0001, 2012–13 fiscal
4 year funding for the Class Size Reduction Program pursuant to
5 Chapter 6.10 (commencing with Section 52120) of Part 28 of
6 Division 4, as it read on January 1, 2013, and 2012–13 fiscal year
7 funding for the ~~community day school mandatorily expelled pupils~~
8 ~~program~~ *pupils enrolled in community day schools who are*
9 *mandatorily expelled* pursuant to subdivision ~~(e)~~ (d) of Section
10 48915, divided by the 2012–13 fiscal year average daily attendance
11 of the school district computed pursuant to Section 42238.05.

12 (B) The amounts determined pursuant to this subdivision shall
13 not be adjusted for the reduction set forth in Section 12.42 of the
14 Budget Act of 2012.

15 (b) Of the amounts computed for school districts pursuant to
16 subdivision (a), the Superintendent shall determine the funding
17 rate per unit of average daily attendance above which fall not more
18 than 10 percent of the total number of school districts statewide.

19 (c) The Superintendent shall compute a 2020–21 fiscal year
20 local control funding formula rate for each school district and
21 charter school equal to the amount computed pursuant to Section
22 42238.02 for the 2013–14 fiscal year, adjusted for an annual
23 average cost-of-living adjustment of 1.94 percent for the 2014–15
24 fiscal year to the 2020–21 fiscal year, inclusive, divided by the
25 2012–13 fiscal year average daily attendance of the school district
26 or charter school computed pursuant to Section 42238.05.

27 (d) (1) For each school district and charter school that has a
28 funding rate per unit of average daily attendance computed pursuant
29 to subdivision (a) that is equal to, or below, the funding rate per
30 unit of average daily attendance determined pursuant to subdivision
31 (b), the Superintendent shall subtract the amount computed
32 pursuant to subdivision (c) from the amount computed pursuant
33 to subdivision (a). Each school district or charter school for which
34 this calculation yields an amount greater than zero shall be eligible
35 for an economic recovery target payment equal to the amount of
36 the difference. A school district or charter school that has a funding
37 rate per unit of average daily attendance calculated pursuant to
38 subdivision (a) that exceeds the rate calculated pursuant to
39 subdivision (b) shall not be eligible for an economic recovery
40 target payment.

1 (2) Each school district or charter school eligible for an
2 economic recovery target payment pursuant to paragraph (1) shall
3 receive the following apportionments:

4 (A) For the 2013–14 fiscal year, one-eighth of the amount
5 calculated pursuant to paragraph (1) multiplied by the 2012–13
6 fiscal year average daily attendance computed pursuant to Section
7 42238.05.

8 (B) For the 2014–15 fiscal year, two-eighths of the amount
9 calculated pursuant to paragraph (1) multiplied by the 2012–13
10 fiscal year average daily attendance computed pursuant to Section
11 42238.05.

12 (C) For the 2015–16 fiscal year, three-eighths of the amount
13 calculated pursuant to paragraph (1) multiplied by the 2012–13
14 fiscal year average daily attendance computed pursuant to Section
15 42238.05.

16 (D) For the 2016–17 fiscal year, four-eighths of the amount
17 calculated pursuant to paragraph (1) multiplied by the 2012–13
18 fiscal year average daily attendance computed pursuant to Section
19 42238.05.

20 (E) For the 2017–18 fiscal year, five-eighths of the amount
21 calculated pursuant to paragraph (1) multiplied by the 2012–13
22 fiscal year average daily attendance computed pursuant to Section
23 42238.05.

24 (F) For the 2018–19 fiscal year, six-eighths of the amount
25 calculated pursuant to paragraph (1) multiplied by the 2012–13
26 fiscal year average daily attendance computed pursuant to Section
27 42238.05.

28 (G) For the 2019–20 fiscal year, seven-eighths of the amount
29 calculated pursuant to paragraph (1) multiplied by the 2012–13
30 fiscal year average daily attendance computed pursuant to Section
31 42238.05.

32 (H) For the 2020–21 fiscal year and each fiscal year thereafter,
33 the amount calculated pursuant to paragraph (1) multiplied by the
34 2012–13 fiscal year average daily attendance computed pursuant
35 to Section 42238.05.

36 (3) In each fiscal year until a determination has been made that
37 all school districts and charter schools equal or exceed the local
38 control funding formula target computed pursuant to Section
39 42238.02, as determined by the calculation of a zero difference
40 pursuant to paragraph (1) of subdivision (b) of Section 42238.03,

1 the economic recovery target payment apportioned to each eligible
2 school district or charter school pursuant to paragraph (2) shall be
3 added to the school district's or charter school's funding amounts
4 that are continuously appropriated pursuant to subdivision (a) of
5 Section 42238.03 and included in the amount of funding that may
6 be offset pursuant to subdivision (c) of Section 42238.03. The
7 amount apportioned pursuant to paragraph (2) shall not receive a
8 cost-of-living adjustment.

9 (4) Commencing with the first fiscal year in which all school
10 districts and charter schools are apportioned funding pursuant to
11 Section 42238.02, the economic recovery target ~~payment amount~~
12 ~~calculated pursuant to paragraph (2) for the applicable fiscal year~~
13 shall be included as an add-on to the amounts computed pursuant
14 to subdivisions (c) to (i), inclusive, of Section 42238.02 and
15 included in the amount of funding that may be offset pursuant to
16 subdivision (j) of Section 42238.02. The amount included as an
17 add-on pursuant to this paragraph shall not receive a cost-of-living
18 adjustment.

19 *SEC. 20. Section 42238.03 of the Education Code is amended*
20 *to read:*

21 42238.03. (a) Commencing with the 2013–14 fiscal year and
22 each fiscal year thereafter, the Superintendent shall calculate a
23 base entitlement for the transition to the local control funding
24 formula for each school district and charter school equal to the
25 sum of the amounts computed pursuant to paragraphs (1) to (4),
26 inclusive. The amounts computed pursuant to paragraphs (1) to
27 ~~(6)~~, (4), inclusive, shall be continuously appropriated pursuant to
28 Section 14002.

29 (1) The current fiscal year base entitlement funding level shall
30 be the sum of all of the following:

31 (A) For school districts, revenue limits in the 2012–13 fiscal
32 year as computed pursuant to Article 2 (commencing with Section
33 42238), as that article read on January 1, 2013, divided by the
34 2012–13 average daily attendance of the school district computed
35 pursuant to Section 42238.05. That quotient shall be multiplied
36 by the current fiscal year average daily attendance of the school
37 district computed pursuant Section 42238.05. *A school district's*
38 *2012–13 fiscal year revenue limit funding shall exclude amounts*
39 *computed pursuant to Article 4 (commencing with Section 42280).*

1 (B) (i) For charter schools, general purpose funding as
2 computed pursuant to Article 2 (commencing with Section 47633)
3 of Chapter 6, as that article read on January 1, 2013, and the
4 amount of in-lieu property tax provided to the charter school
5 pursuant to Section 47635, as that section read on June 30, 2013,
6 divided by the 2012–13 average daily attendance of the charter
7 school computed pursuant to Section 42238.05. That quotient shall
8 be multiplied by the current fiscal year average daily attendance
9 of the charter school computed pursuant to Section 42238.05.

10 (ii) The amount computed pursuant to clause (i) shall exclude
11 funds received by a charter school pursuant to Section 47634.1,
12 as that section read on January 1, 2013.

13 (C) The amount computed pursuant to ~~subparagraphs (A) and~~
14 ~~(B) subparagraph (A)~~ shall exclude funds received pursuant to
15 Section 47633, as that section read on January 1, 2013.

16 (D) ~~The amount computed pursuant to subparagraph (A) shall~~
17 ~~exclude amounts computed pursuant to Article 4 (commencing~~
18 ~~with Section 42280). Funding For school districts, funding for~~
19 ~~qualifying necessary small high school and necessary small~~
20 ~~elementary schools shall be adjusted to reflect the funding levels~~
21 ~~that correspond to the 2012–13 necessary small high school and~~
22 ~~necessary small elementary school allowances pursuant Article 4~~
23 ~~(commencing with Section 42280) and Section 42238.146, as those~~
24 ~~provisions read on January 1, 2013.~~

25 (2) Entitlements from items contained in Section 2.00, as
26 adjusted pursuant to Section 12.42, of the Budget Act of 2012 for
27 Items 6110-104-0001, 6110-105-0001, 6110-108-0001,
28 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001,
29 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001,
30 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001,
31 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001,
32 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001,
33 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001,
34 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001,
35 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001,
36 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for
37 the Class Size Reduction Program pursuant to Chapter 6.10
38 (commencing with Section 52120) of Part 28 of Division 4, as it
39 read on January 1, 2013, and 2012–13 fiscal year funding for pupils
40 enrolled in community day schools who are mandatorily expelled

1 pursuant to subdivision ~~(e)~~ (d) of Section 48915. The entitlement
2 for basic aid school districts shall include the reduction of 8.92
3 percent as applied pursuant to subparagraph (A) of paragraph (1)
4 of subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

5 (3) The allocations pursuant to Sections 42606 and 47634.1, as
6 those sections read on January 1, 2013, divided by the 2012–13
7 average daily attendance of the charter school computed pursuant
8 to Section 42238.05. That quotient shall be multiplied by the
9 current fiscal year average daily attendance of the charter school
10 computed pursuant to Section 42238.05.

11 (4) The amount allocated to a school district or charter school
12 pursuant to paragraph (3) of subdivision (b) for the fiscal years
13 before the current fiscal year divided by the average daily
14 attendance of the school district or charter school for the fiscal
15 years before the current fiscal year computed pursuant to Section
16 42238.05. That quotient shall be multiplied by the current fiscal
17 year average daily attendance of the school district or charter school
18 computed pursuant to Section 42238.05.

19 (5) (A) For the 2013–14 and 2014–15 fiscal years only, a school
20 district that, in the 2012–13 fiscal year, from any of the funding
21 sources identified in paragraph (1) or (2), received funds on behalf
22 of, or provided funds to, a regional occupational center or program
23 joint powers agency established in accordance with Article 1
24 (commencing with Section 6500) of Chapter 5 of Division 7 of
25 Title 1 of the Government Code for purposes of providing
26 instruction to secondary pupils shall not redirect that funding for
27 another purpose unless otherwise authorized in law or pursuant to
28 an agreement between the regional occupational center or program
29 joint powers agency and the contracting school district.

30 (B) *For the 2013–14 and 2014–15 fiscal years only, if a regional*
31 *occupational center or program joint powers agency established*
32 *in accordance with Article 1 (commencing with Section 6500) of*
33 *Chapter 5 of Division 7 of Title 1 of the Government Code for*
34 *purposes of providing instruction to pupils enrolled in grades 9*
35 *to 12, inclusive, received, in the 2012–13 fiscal year, an*
36 *apportionment of funds directly from any of the funding sources*
37 *identified in subparagraph (A) of paragraph (2) of subdivision*
38 *(a), the Superintendent shall apportion that same amount to the*
39 *regional occupational center or program joint powers agency.*

(6) (A) (i) For the 2013–14 and 2014–15 fiscal years only, a school district that, in the 2012–13 fiscal year, from any of the funding sources identified in paragraph (1) or (2), received funds on behalf of, or provided funds to, a home-to-school transportation joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation shall not redirect that funding for another purpose unless otherwise authorized in law or pursuant to an agreement between the home-to-school transportation joint powers agency and the contracting school district.

(ii) *For the 2013–14 and 2014–15 fiscal years only, if a home-to-school transportation joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation received, in the 2012–13 fiscal year, an apportionment of funds directly from the Superintendent from any of the funding sources identified in subparagraph (A) of paragraph (2) of subdivision (a), the Superintendent shall apportion that same amount to the home-to-school transportation joint powers agency.*

(B) In addition to subparagraph (A), of the funds a school district receives for home-to-school transportation programs the school district shall expend, pursuant to Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5, ~~and~~ Article 10 (commencing with Section 41850) of Chapter 5, *and the Small School District Transportation program, as set forth in Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2*, no less for those programs than the amount of funds the school district expended for home-to-school transportation in the 2012–13 fiscal year.

(7) For the 2013–14 and 2014–15 fiscal years only, of the funds a school district receives for purposes of regional occupational centers or programs, or adult education, the school district shall expend no less than the amount of funds the school district expended for purposes of regional occupational centers or programs, or adult education, respectively, in the 2012–13 fiscal year. *For purposes of this paragraph, a school district may include expenditures made by its county office of education within the school district for purposes of regional occupational centers or*

1 *programs so long as the total amount of expenditures by the school*
2 *district and the county office of education equal or exceed the total*
3 *amount required to be expended for purposes of regional*
4 *occupational centers or programs pursuant to this paragraph and*
5 *paragraph (3) of subdivision (k) of Section 2575.*

6 (b) Compute an annual local control funding formula transition
7 adjustment for each school district and charter school as follows:

8 (1) Subtract the amount computed pursuant to paragraphs (1)
9 to (4), inclusive, of subdivision (a) from the amount computed for
10 each school district or charter school under the local control
11 funding formula entitlements computed pursuant to ~~subdivision~~
12 ~~(i) of~~ Section 42238.02. School districts and charter schools with
13 a negative difference shall be deemed to have a zero difference.

14 (2) Each school district's and charter school's total ~~need~~ *need*,
15 as calculated pursuant to paragraph ~~(1)~~ (1), shall be divided by the
16 sum of all school districts' and charter schools' total need to
17 determine the school district's or charter school's respective
18 proportions of total need.

19 (3) Each school district's and charter school's proportion of
20 total need shall be multiplied by any available appropriations
21 specifically made for purposes of this subdivision, and added to
22 the school district's or charter school's funding amounts as
23 calculated pursuant to subdivision (a).

24 (4) If the total amount of funds appropriated for purposes of
25 paragraph (3) pursuant to this subdivision are sufficient to fully
26 fund any positive amounts computed pursuant to paragraph (1),
27 the local control funding formula grant computed pursuant to
28 subdivision (c) of Section 42238.02 shall be adjusted to ensure
29 that any available appropriation authority is expended for purposes
30 of the local control funding formula.

31 (5) Commencing with the first fiscal year after either paragraph
32 (4) *of this subdivision* or paragraph (2) of subdivision ~~(h)~~ (g)
33 applies, the adjustments in paragraph (2) of subdivision (d) of
34 Section 42238.02 shall be made only if an appropriation for those
35 adjustments is included in the annual Budget Act.

36 (c) The Superintendent shall subtract from the amounts
37 computed pursuant to subdivisions (a) and (b) the sum of the
38 following:

39 (1) (A) For school districts, the property tax revenue received
40 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter

6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

(B) For charter schools, the in-lieu property tax amount provided to a charter school pursuant to Section 47635.

(2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of Division 2 of the Revenue and Taxation Code.

(3) The amount, if any, received pursuant to Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code.

(4) Prior years' taxes and taxes on the unsecured roll.

(5) Fifty percent of the amount received pursuant to Section 41603.

(6) The amount, if any, received pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), less any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance and that is not an amount received pursuant to Section 33492.15, or paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

(7) The amount, if any, received pursuant to Sections ~~34183~~ 34177, 34179.5, 34179.6, 34183, and 34188 of the Health and Safety Code.

(8) Revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(d) A school district or charter school that has a zero difference pursuant to paragraph (1) of subdivision (b) in the prior fiscal year shall receive an entitlement equal to the amount calculated pursuant to Section 42238.02 in the current fiscal year and future fiscal years.

(e) Notwithstanding the computations pursuant to subdivisions (b) to (d), inclusive, and Section 42238.02, commencing with the 2013–14 fiscal year, a school district or charter school shall receive state-aid funding of no less than the sum of the amounts computed pursuant to paragraphs (1) to (3), inclusive.

(1) (A) For school districts, revenue limits in the 2012–13 fiscal year as computed pursuant to Article 2 (commencing with Section 42238), as that article read on January 1, 2013, divided by the 2012–13 average daily attendance of the school district computed pursuant to Section 42238.05. That quotient shall be multiplied by the current fiscal year average daily attendance of the school district computed pursuant Section ~~42238.05 and then offset for~~ local revenues pursuant to subdivision (c) for the current fiscal year. *42238.05. A school district's 2012–13 revenue limit funding shall exclude amounts computed pursuant to Article 4 (commencing with Section 42280).*

(B) (i) For charter schools, general purpose funding in the 2012–13 fiscal year as computed pursuant to Article 2 (commencing with Section 47633) of Chapter 6, as that article read on January 1, 2013, and the amount of in-lieu property tax provided to the charter school in the 2012–13 fiscal year pursuant to Section 47635, as that section read on January 1, 2013, divided by the 2012–13 average daily attendance of the charter school computed pursuant to Section 42238.05. That quotient shall be multiplied by the current fiscal year average daily attendance of the charter school computed pursuant to Section ~~42238.05 and then offset for~~ local revenues pursuant to subdivision (c) for the current fiscal year. *42238.05.*

(ii) The amount computed pursuant to clause (i) shall exclude funds received by a charter school pursuant to Section 47634.1, as that section read on January 1, 2013.

(C) The amount computed pursuant to ~~subparagraphs (A) and (B)~~ subparagraph (A) shall exclude funds received pursuant to Section 47633, as that section read on January 1, 2013.

(D) ~~The amount computed pursuant to subparagraph (A) shall exclude amounts computed pursuant to Article 4 (commencing with Section 42280).~~ *Funding For school districts, the 2012–13 funding allowance provided for qualifying necessary small high school schools and necessary small elementary schools shall be adjusted pursuant to Article 4 (commencing with Section 42280) and Section 42238.146, as those provisions read on January 1, 2013.*

(E) The amount computed pursuant to subparagraphs (A) to ~~(C)~~, (D), inclusive, shall be reduced by the sum of the amount

computed pursuant to paragraphs (1) to (8), inclusive, of subdivision (c).

(2) (A) Entitlements from items contained in Section 2.00, as adjusted pursuant to Section 12.42, of the Budget Act of 2012 for Items 6110-104-0001, 6110-105-0001, 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001, 6110-268-0001, 6360-101-0001, 2012–13 fiscal year funding for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4, as it read on January 1, 2013, and 2012–13 fiscal year funding for pupils enrolled in community day schools who are mandatorily expelled pursuant to subdivision (e) (d) of Section 48915. Notwithstanding Section 39 of Chapter 38 of the Statutes of 2012, the entitlement for basic aid school districts shall include the reduction of 8.92 percent as applied pursuant to subparagraph (A) of paragraph (1) of subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

(B) *The Superintendent shall annually apportion any entitlement provided to the state special schools from the items specified in subparagraph (A) to the state special schools in the same amount as the state special schools received from those items in the 2012–13 fiscal year.*

(3) The allocations pursuant to Sections 42606 and 47634.1, as those sections read on January 1, 2013, divided by the 2012–13 average daily attendance of the charter school. That quotient shall be multiplied by the current fiscal year average daily attendance of the charter school.

(f) (1) For purposes of this section, commencing with the 2013–14 fiscal year and until all school districts and charter schools equal or exceed their local control funding formula target computed pursuant to Section 42238.02, as determined by the calculation of a zero difference pursuant to paragraph (1) of subdivision (b), a newly operational charter school shall be determined to have a

1 prior year per average daily attendance funding amount equal to
2 the lesser of:

3 (A) (i) The prior year funding amount per unit of average daily
4 attendance for the school district in which the charter school is
5 physically located. The Superintendent shall calculate the funding
6 amount per unit of average daily attendance for this purpose by
7 dividing the total local control funding formula entitlement,
8 *calculated pursuant to subdivisions (a) and (b)*, received by that
9 school district in the prior year by prior year *funded* average daily
10 attendance of that school district. For purposes of this ~~paragraph~~
11 *subparagraph*, a charter school that is physically located in more
12 than one school district *because of overlapping school district*
13 *boundaries* shall use the calculated local control funding
14 entitlement per unit of average daily attendance of the school
15 district with the highest prior year funding amount per unit of
16 average daily attendance.

17 (ii) *For purposes of this subparagraph, if a charter school is*
18 *physically located in more than one school district and provides*
19 *classroom-based instruction, as defined in paragraph (1) of*
20 *subdivision (e) of Section 47612.5, in more than one physical*
21 *location, the prior year funding amount per unit of average daily*
22 *attendance of that charter school shall be deemed to be that of the*
23 *school district in which the highest proportion of the charter*
24 *school's average daily attendance is generated through*
25 *classroom-based instruction. For purposes of this subparagraph,*
26 *the prior year funding amount per unit of average daily attendance*
27 *for a charter school that provides nonclassroom-based instruction,*
28 *as defined in paragraph (2) of subdivision (e) of Section 47612.5,*
29 *shall be that of the charter school's chartering authority, or, for*
30 *a charter school approved pursuant to paragraph (1) or (2) of*
31 *subdivision (i) of Section 47632, the charter school's sponsoring*
32 *school district.*

33 (B) The charter school's local control funding formula rate
34 computed pursuant to subdivisions (c) to (i), inclusive, of Section
35 42238.02.

36 (C) *For purposes of subparagraph (A), a charter school*
37 *commencing operations in a school district that includes funding*
38 *pursuant to Article 4 (commencing with Section 42280) as part of*
39 *the local control funding formula computation pursuant to Section*
40 *42238.02 in the previous fiscal year, or that received funding*

1 pursuant to Article 4 (commencing with Section 42280) in the
2 2012–13 fiscal year, shall use the statewide average calculated
3 local control funding entitlement per unit of average daily
4 attendance in lieu of the highest prior year funding amount per
5 unit of average daily attendance for the school district in which
6 the charter school is located.

7 (D) (i) For purposes of subparagraph (A), a charter school
8 authorized pursuant to Section 47605.6 or pursuant to subdivision
9 (c) of Section 47631, shall use the countywide average calculated
10 local control funding entitlement per unit of average daily
11 attendance in lieu of the highest prior year funding amount per
12 unit of average daily attendance for the school district in which
13 the charter school is located.

14 (ii) For purposes of subparagraph (A), a charter school
15 authorized pursuant to Section 47605.8 shall use the statewide
16 average calculated local control funding entitlement per unit of
17 average daily attendance in lieu of the highest prior year funding
18 amount per unit of average daily attendance for the school district
19 in which the charter school is located.

20 (2) For charter schools funded pursuant to paragraph (1), the
21 charter school shall be eligible to receive growth funding pursuant
22 to subdivision (b) toward meeting the newly operational charter
23 school's local control funding formula target.

24 (3) Upon a determination that all school districts and charter
25 schools equal or exceed the local control funding formula target
26 computed pursuant to Section ~~42238.02~~ 42238.02, as determined
27 by the calculation of a zero difference pursuant to paragraph (1)
28 of subdivision (b) for all school districts and charter schools, this
29 subdivision shall not apply and the charter school shall receive an
30 allocation equal to the amount calculated under Section 42238.02
31 in that fiscal year and future fiscal years.

32 (g) (1) In each fiscal year the Superintendent shall determine
33 the percentage of school districts that are apportioned funding
34 pursuant to this section that is less than the amount computed
35 pursuant to Section 42238.02 as of the second principal
36 apportionments of the fiscal year. If the percentage is less than 10
37 percent, the Superintendent shall apportion funding to the school
38 districts and charter schools equal to the amount computed pursuant
39 to Section 42238.02 in that fiscal year.

(2) For each fiscal year thereafter, the Superintendent shall apportion funding to a school district and charter school equal to the amount computed pursuant to Section 42238.02.

SEC. 21. Section 42238.05 of the Education Code is amended to read:

42238.05. (a) For purposes of Sections 42238.02, 42238.025, and 42238.03, the fiscal year average daily attendance *for a school district* shall be computed pursuant to ~~paragraph (1) or (2).~~ *paragraphs (1) to (3), inclusive, as applicable.*

(1) The second principal apportionment regular average daily attendance for either the current or prior fiscal year, whichever is ~~greater. However, prior fiscal year average daily attendance shall be adjusted for any loss or gain of average daily attendance due to a reorganization or transfer of territory.~~ *greater, excluding units of average daily attendance resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280).*

~~(2) A school district that elects to receive funding pursuant to Article 4 (commencing with Section 42280) shall compute its units of average daily attendance for purposes of paragraphs (1), (3), and (4), of subdivision (d) of Section 42238.02 by subtracting the amount determined in subparagraph (B) from the amount determined in subparagraph (A).~~

~~(A) The units of average daily attendance computed pursuant to paragraph (1).~~

~~(B)~~

(2) The units of average daily attendance resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280).

(3) Prior fiscal year average daily attendance shall be adjusted for any loss or gain of average daily attendance due to a reorganization or transfer of territory.

(b) For purposes of this article, regular average daily attendance shall be the base grant average daily attendance.

(c) For purposes of this section, the Superintendent shall distribute total ungraded enrollment and average daily attendance among kindergarten and each of grades 1 to 12, inclusive, in proportion to the amounts of graded enrollment and average daily attendance, respectively, in each of these grades.

(d) For purposes of this section, the Superintendent shall distribute average daily attendance generated by the difference

1 between prior year average daily attendance and current year
2 average daily attendance, if positive, among kindergarten and each
3 of grades 1 to 12, inclusive, in proportion to the amounts of graded
4 average daily attendance, respectively, in each of these grades.

5 (e) This section shall only apply to average daily attendance
6 generated by school districts and shall not apply to average daily
7 attendance generated by charter schools.

8 (f) A pupil shall not be counted more than once for purposes of
9 calculating average daily attendance pursuant to this section.

10 (g) *Notwithstanding subdivisions (a) to (f), inclusive, for*
11 *purposes of Sections 42238.02, 42238.025, and 42238.03, average*
12 *daily attendance for a charter school shall be the total current*
13 *year average daily attendance in the corresponding grade level*
14 *ranges for the charter school as computed pursuant to Section*
15 *47634.3. Subdivision (d) shall not apply to the calculation of*
16 *current year average daily attendance for a charter school.*

17 SEC. 22. *Section 42238.20 of the Education Code is repealed.*

18 ~~42238.20. (a) Notwithstanding any other law, commencing in~~
19 ~~the 2008-09 fiscal year, the minimum schoolday for a pupil~~
20 ~~concurrently enrolled in regular secondary school classes and~~
21 ~~classes operating pursuant to a joint powers agreement that became~~
22 ~~effective before January 1, 2008, is 180 minutes. These regular~~
23 ~~secondary school classes constitute regular school classes for the~~
24 ~~purposes of Section 46010.3.~~

25 ~~(b) Notwithstanding any other law, for purposes of computing~~
26 ~~the average daily attendance of a pupil described in subdivision~~
27 ~~(a), the 180-minute minimum schoolday permitted by this section~~
28 ~~shall be computed and reported as attendance for three-quarters~~
29 ~~of the full 240-minute minimum schoolday prescribed by Section~~
30 ~~46141.~~

31 ~~(c) For a pupil described in subdivision (a), the average daily~~
32 ~~attendance shall be included as school district average daily~~
33 ~~attendance computed pursuant to Section 42238.5.~~

34 ~~(d) (1) Commencing with the 2008-09 fiscal year, the~~
35 ~~Superintendent shall compute funding for each pupil enrolled in~~
36 ~~classes as described in subdivision (a), for the period of time each~~
37 ~~day during which the pupil attends classes pursuant to a joint~~
38 ~~powers agreement, by multiplying the annual clock hours of~~
39 ~~attendance, up to a maximum of three clock hours per schoolday,~~
40 ~~by the rate described in subdivision (c) or (f), as applicable.~~

1 ~~(2) The Superintendent shall add the amount computed pursuant~~
2 ~~to paragraph (1) to the revenue limit calculated pursuant to Section~~
3 ~~42238 for the school district of attendance of the pupil.~~

4 ~~(3) A pupil shall not generate apportionment credit pursuant to~~
5 ~~this subdivision for more than 540 hours in any school year.~~

6 ~~(e) The hourly rate for the 2008-09 fiscal year shall be~~
7 ~~determined as follows:~~

8 ~~(1) Subtract 73.3 percent of the school district revenue limit~~
9 ~~funding per unit of average daily attendance computed pursuant~~
10 ~~to Section 42238 for the 2007-08 fiscal year for the school districts~~
11 ~~that entered into the joint powers agreement from the statewide~~
12 ~~average revenue limit funding per unit of average daily attendance~~
13 ~~received by high school districts computed pursuant to paragraph~~
14 ~~(1) of subdivision (a) of Section 47633 for the 2007-08 fiscal year.~~

15 ~~(2) Divide the amount computed in paragraph (1) by 540.~~

16 ~~(3) Multiply the amount in paragraph (2) by the cost of living,~~
17 ~~deficit factor, and equalization adjustments applied to revenue~~
18 ~~limits for the 2008-09 fiscal year.~~

19 ~~(f) Commencing with the 2009-10 fiscal year, the hourly rate~~
20 ~~for the current fiscal year shall be determined by multiplying the~~
21 ~~prior year hourly rate by the cost of living, deficit factor, and~~
22 ~~equalization adjustments applied to the current year revenue limit~~
23 ~~computed pursuant to Section 42238.~~

24 ~~(g) For purposes of computing attendance pursuant to Section~~
25 ~~46300 or any other law, immediate supervision and control of~~
26 ~~pupils while attending classes pursuant to a joint powers agreement~~
27 ~~described in subdivision (a) is deemed satisfied regardless of the~~
28 ~~school district employing the certificated employee providing the~~
29 ~~supervision and control, provided the school district is a party to~~
30 ~~the joint powers agreement.~~

31 ~~(h) The auditor who conducts the annual audit pursuant to~~
32 ~~Section 41020 shall verify compliance with this section by each~~
33 ~~school district that is a party to the joint powers agreement as~~
34 ~~described in subdivision (a). An instance of noncompliance shall~~
35 ~~be reported as an audit exception. If the noncompliance is a~~
36 ~~condition of eligibility for the receipt of funds, the audit report~~
37 ~~shall include a statement of the number of units of average daily~~
38 ~~attendance or hours, if any, that were inappropriately reported for~~
39 ~~apportionment.~~

1 ~~(i) Notwithstanding any other law, the number of hours of~~
2 ~~instruction at regional occupational centers or programs that are~~
3 ~~claimed for funding pursuant to subdivision (d) shall be used, in~~
4 ~~addition to the hourly rate determined pursuant to subdivision (e)~~
5 ~~or (f), whichever subdivision is applicable, in the computation of~~
6 ~~the average daily attendance of the regional occupational center~~
7 ~~or program.~~

8 ~~(j) This section shall become inoperative on July 1, 2017, and,~~
9 ~~as of January 1, 2018, is repealed, unless a later enacted statute,~~
10 ~~that becomes operative on or before January 1, 2018, deletes or~~
11 ~~extends the dates on which it becomes inoperative and is repealed.~~

12 *SEC. 23. Section 42283 of the Education Code is amended to*
13 *read:*

14 42283. (a) For purposes of Sections 42281 and 42282, a
15 “necessary small school” is an elementary school with an average
16 daily attendance of less than 97, exclusive of pupils attending the
17 seventh and eighth grades of a junior high school, maintained by
18 a school district to which ~~school~~ any of the following conditions
19 apply:

20 (1) If as many as five pupils residing in the school district and
21 attending kindergarten and grades 1 to 8, inclusive, exclusive of
22 pupils attending the seventh and eighth grades of a junior high
23 school in the elementary school with an average daily attendance
24 of less than 97 would be required to travel more than 10 miles one
25 way from a point on a well-traveled road nearest their home to the
26 nearest other public elementary school.

27 (2) If as many as 15 pupils residing in the school district and
28 attending kindergarten and grades 1 to 8, inclusive, exclusive of
29 pupils attending the seventh and eighth grades of a junior high
30 school in the elementary school with an average daily attendance
31 of less than 97 would be required to travel more than five miles
32 one way from a point on a well-traveled road nearest their home
33 to the nearest other public elementary school.

34 (3) If topographical or other conditions exist in a school district
35 which would impose unusual hardships if the number of miles
36 specified in paragraph (1) or (2) were required to be traveled, or
37 if during the fiscal year the roads which would be traveled have
38 been impassable for more than an average of two weeks per year
39 for the preceding five years, the governing board of the school
40 district may, on or before April 1, request the Superintendent, in

writing, for an exemption from these requirements or for a reduction in the miles required. The request shall be accompanied by a statement of the conditions upon which the request is based, giving the information in a form required by the Superintendent. The Superintendent shall cause an investigation to be made, and shall either grant the request to the extent he or she deems necessary, or deny the request.

(b) For purposes of this section, “other public elementary school” is a public school, including a charter school, that serves kindergarten or any of grades 1 to 8, inclusive, exclusive of grades 7 and 8 of a junior high school.

SEC. 24. Section 42284 of the Education Code is amended to read:

42284. (a) For each district with fewer than 2,501 units of average daily attendance, on account of each necessary small high school, the county superintendent of schools shall make one of the following computations selected with regard only to the number of certificated employees employed or average daily attendance, whichever provides the lesser amount:

Average daily attendance	Minimum number of certificated employees	Amount to be computed
1– 19	less than 3	\$42,980
		per teacher
1– 19	3	191,340
20– 38	4	234,320
39– 57	5	277,300
58– 71	6	320,280
72– 86	7	363,260
87– 100	8	406,240
01–114 101–114	9	449,220
115–129	10	492,200
130–143	11	535,180
44–171 144–171	12	578,160
172–210	13	621,140
211–248	14	664,120
249–286	15	707,100

1 (b) For purposes of this section, a “certificated employee” means
2 an equivalent full-time position of an individual holding a
3 credential authorizing service and providing service in grades 9
4 to 12, inclusive, in any secondary school. Any fraction of an
5 equivalent full-time position remaining after all equivalent full-time
6 positions for certificated employees within the *school* district have
7 been calculated shall be deemed to be a full-time position.

8 (c) A school district that qualifies under this section may use
9 the funding calculation as provided in this section until the local
10 control funding formula allocation pursuant to Section 42238.02,
11 as implemented by Section 42238.03, per unit of average daily
12 attendance multiplied by the average daily attendance produces
13 state aid equal to the funding provided under this section.

14 *SEC. 25. Section 42285 of the Education Code is amended to*
15 *read:*

16 42285. (a) For ~~the~~ purposes of Section 42284, a necessary
17 small high school is a high school with an average daily attendance
18 of less than 287 that comes within any of the following conditions:

19 (1) The projection of its future enrollment on the basis of the
20 enrollment of the elementary schools in the *school* district shows
21 that within eight years the enrollment in high school in grades 9
22 to 12, inclusive, will exceed 286 pupils.

23 (2) Any one of the following combinations of distance and units
24 of average daily attendance applies:

25 (A) The high school had an average daily attendance of less
26 than 96 in grades 9 to 12, inclusive, during the preceding fiscal
27 year and is more than 15 miles by well-traveled road from the
28 nearest other public high school and either 90 percent of the pupils
29 would be required to travel 20 miles or 25 percent of the pupils
30 would be required to travel 30 miles one way from a point on a
31 well-traveled road nearest their homes to the nearest other public
32 high school.

33 (B) The high school had an average daily attendance of 96 or
34 more and less than 144 in grades 9 to 12, inclusive, during the
35 preceding fiscal year and is more than 10 miles by well-traveled
36 road from the nearest other public high school and either 90 percent
37 of the pupils would be required to travel 18 miles or 25 percent of
38 the pupils would be required to travel 25 miles one way from a
39 point on a well-traveled road nearest their homes to the nearest
40 other public high school.

(C) The high school had an average daily attendance of 144 or more and less than 192 in grades 9 to 12, inclusive, during the preceding fiscal year and is more than 7 ½ miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 15 miles or 25 percent of the pupils would be required to travel 20 miles one way from a point on a well-traveled road nearest their homes to the nearest other public high school.

(D) The high school had an average daily attendance of 192 or more and less than 287 in grades 9 to 12, inclusive, during the preceding fiscal year and is more than five miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 10 miles or 25 percent of the pupils would be required to travel 15 miles to the nearest other public high school.

(3) Topographical or other conditions exist in the school district which would impose unusual hardships on the pupils if the number of miles specified above were required to be traveled. In these cases, the Superintendent may, when requested, and after investigation, grant exceptions from the distance requirements.

(4) The Superintendent has approved the recommendation of a county committee on school district organization designating one of two or more schools as necessary isolated schools in a situation where the schools are operated by two or more school districts and the average daily attendance of each of the schools is less than 287 in grades 9 to 12, inclusive.

(b) For purposes of Section 42284, a necessary small high school also includes a high school maintained by a school district for the exclusive purpose of educating juvenile hall pupils or pupils with exceptional needs.

(c) For purposes of Section 42284, a necessary small high school does not include a continuation school.

(d) For purposes of this section, “other public high school” is a public school, including a charter school, that serves any of grades 9 to 12, inclusive, or grades 7 and 8 in a junior high school, inclusive.

SEC. 26. Section 42285.5 of the Education Code is amended to read:

42285.5. (a) For purposes of subdivision (a) of Section 42284 and Section 42285, for a qualifying necessary small high school,

1 a school district may include average daily attendance in grades
2 7 and 8 and the instructors of grade 7 and 8 pupils in the calculation
3 of average daily attendance and number of certificated employees
4 employed.

5 ~~(b) Notwithstanding Sections 42284 and 42285, for purposes~~
6 ~~of this section, with respect to a school district eligible to utilize~~
7 ~~subdivision (a), any references to grades 9 to 12, inclusive, in~~
8 ~~Sections 42284 and 42285 shall be deemed instead to be references~~
9 ~~to grades 7 to 12, inclusive.~~

10 *SEC. 27. Section 42287 of the Education Code is amended to*
11 *read:*

12 42287. (a) For the 1984–85 fiscal year to the 2012–13 fiscal
13 year, inclusive, the Superintendent of ~~Public Instruction~~ shall
14 increase the funding amounts specified in Sections 42281, 42282,
15 and 42284 by an amount proportionate to the increase applied to
16 the statewide average revenue limit for unified school districts for
17 the then current fiscal year.

18 (b) Commencing with the 2013–14 fiscal year, the
19 Superintendent shall increase the funding amounts specified in
20 Sections 42281, 42282, and 42284, as previously increased
21 pursuant to subdivision (a) and Sections 42289 to 42289.5,
22 inclusive, ~~by an amount proportionate to the increase in the~~
23 ~~statewide average local control funding formula allocations~~
24 ~~pursuant to Section 42238.02, as implemented by Section 42238.03,~~
25 ~~the percentage calculated pursuant to paragraph (2) of subdivision~~
26 ~~(d) of Section 42238.02, subject to the criteria specified in~~
27 ~~paragraph (5) of subdivision (b) of Section 42238.03, for the then~~
28 ~~current fiscal year.~~

29 *SEC. 28. Section 46200 of the Education Code is amended to*
30 *read:*

31 46200. For a school district that received an apportionment
32 pursuant to subdivision (a) of this section, as it read on January 1,
33 2013, and that offers less than 180 days of instruction or, in
34 multitrack year-round schools, fewer than the number of days
35 required in subdivision (a) of this section, as it read on January 1,
36 2013, ~~for multitrack year-round schools,~~ in the 2013–14 fiscal
37 year, or any fiscal year thereafter, the Superintendent shall withhold
38 from the school district's local control funding formula grant
39 apportionment pursuant to Section 42238.02, as implemented by
40 Section 42238.03, for the average daily attendance of each affected

1 grade level the sum of 0.0056 multiplied by the apportionment
2 received pursuant to subdivision (a) of this section, as it read on
3 January 1, 2013, for each day less than 180, or, in multitrack
4 year-round schools, for each day less than the number of days
5 required in subdivision (a) for year-round schools that the school
6 district offered; that apportionment for each day less than what
7 was required in subdivision (a) of this section, as it read on
8 January 1, 2013, up to a maximum of five days.

9 *SEC. 29. Section 46201 of the Education Code is amended to*
10 *read:*

11 46201. (a) For each school district that received an
12 apportionment pursuant to subdivision (a) of this section, as it read
13 on January 1, 2013, and that reduces the amount of instructional
14 time offered below the minimum amounts specified in subdivision
15 (b), the Superintendent shall withhold from the school district's
16 local control funding formula grant apportionment pursuant to
17 Section 42238.02, as implemented by Section 42238.03, for the
18 average daily attendance of each affected grade level, the sum of
19 the apportionment received pursuant to subdivision (a) of this
20 section, as it read on January 1, 2013; that apportionment
21 multiplied by the percentage of the minimum offered minutes at
22 that grade level that the school district failed to offer.

23 (b) Commencing with the 2013–14 fiscal year:

24 (1) Thirty-six thousand minutes in kindergarten.

25 (2) Fifty thousand four hundred minutes in grades 1 to 3,
26 inclusive.

27 (3) Fifty-four thousand minutes in grades 4 to 8, inclusive.

28 (4) Sixty-four thousand eight hundred minutes in grades 9 to
29 12, inclusive.

30 *SEC. 30. Section 46202 of the Education Code is amended to*
31 *read:*

32 46202. If a school district that does not participate in the
33 program set forth in Sections 46200 to 46206, inclusive, as those
34 sections read on January 1, 2013, offers less instructional time in
35 a fiscal year than the amount of instructional time fixed for the
36 1982–83 fiscal year, the Superintendent shall withhold for that
37 fiscal year, from the school district's local control funding formula
38 grant apportionment pursuant to Section 42238.03, 42238.02, as
39 implemented by Section 42238.03, for the average daily attendance
40 of each affected grade level, the amount of that apportionment

1 multiplied by the percentage of instructional minutes fixed in the
2 1982–83 school year, at that grade level, that the school district
3 failed to offer.

4 *SEC. 31. Section 46208 of the Education Code is amended to*
5 *read:*

6 46208. (a) Notwithstanding Sections 46200 to 46205,
7 inclusive, upon a determination that a school district equals or
8 exceeds its local control funding formula target computed pursuant
9 to Section 42238.02 as determined by the calculation of a zero
10 difference pursuant to paragraph (1) of subdivision (b) of Section
11 42238.03, each school district, as a condition of apportionment
12 pursuant to Section 42238.02, as implemented pursuant to Section
13 42238.03, shall offer 180 days or more of instruction per school
14 year. A school operating *as* a multitrack year-round school shall
15 be deemed to be in compliance with the 180-day requirement if it
16 certifies to the Superintendent that it is a multitrack year-round
17 school and maintains its school for a minimum of 163 schooldays.

18 (b) Notwithstanding subdivision (a), for the 2013–14 and
19 2014–15 school years, a school district that equals or exceeds its
20 computed local control funding formula target may reduce the
21 equivalent of up to five days of instruction or the equivalent
22 number of instructional minutes without incurring the penalties
23 set forth in this section.

24 (c) *For a school district that has met its local control funding*
25 *formula target and that offers fewer than the number of*
26 *instructional days required pursuant to this section, the*
27 *Superintendent shall withhold from the school district's local*
28 *control funding formula grant apportionment pursuant to Section*
29 *42238.02, as implemented by Section 42238.03, for the average*
30 *daily attendance of each affected grade level, the sum of 0.0056*
31 *multiplied by that apportionment for each day less than what was*
32 *required pursuant to this section, for up to five days.*

33 *SEC. 32. Section 46610 of the Education Code is repealed.*

34 ~~46610. Notwithstanding any other provision of law, the~~
35 ~~Fallbrook Union High School District shall enter into an~~
36 ~~interdistrict attendance agreement with the Capistrano Unified~~
37 ~~School District to allow any pupil, at the request of his or her parent~~
38 ~~or guardian, to attend schools of the Capistrano Unified School~~
39 ~~District when the pupil resides in the San Onofre housing area of~~
40 ~~the Marine Corps Base, Camp Joseph H. Pendleton. No more than~~

1 150 pupils from the Fallbrook Union High School District may
2 attend school in the Capistrano Unified School District pursuant
3 to this interdistrict attendance agreement.

4 The Fallbrook Union High School District shall be credited with
5 the average daily attendance of these pupils for the purpose of
6 determining state apportionments and revenue limits and for the
7 purpose of receiving federal grants pursuant to Public Law 81-874.

8 The Fallbrook Union High School District shall pay tuition to
9 the Capistrano Unified School District for the attendance of these
10 pupils only in the amount of the state apportionments paid to the
11 Fallbrook Union High School District for the attendance of these
12 pupils, plus an amount computed as follows:

13 (a) Divide the amount of funds paid pursuant to Section 3 of
14 Public Law 81-874 (20 U.S.C. 238) to the Fallbrook Union High
15 School District in the current fiscal year by the average daily
16 attendance of the district in the current fiscal year.

17 (b) Multiply the amount in subdivision (a) by the average daily
18 attendance, for the year of attendance for secondary school pupils
19 attending the schools of the Capistrano Unified School District
20 pursuant to Section 46610.

21 *SEC. 33. Section 46611 of the Education Code is repealed.*

22 46611. (a) When an interdistrict attendance agreement is
23 entered into pursuant to Section 46610, the Superintendent of
24 Public Instruction shall apportion from Section A of the State
25 School Fund to the Capistrano Unified School District the
26 allowance computed in subdivision (b) for educating secondary
27 school pupils attending pursuant to the agreement during the year
28 the pupils are in attendance in that district reduced by the amounts
29 payable to Capistrano Unified School District by the Fallbrook
30 Union High School District pursuant to Section 46610.

31 (b) The Superintendent of Public Instruction shall compute an
32 allowance for educating secondary school pupils, as follows:

33 (1) Compute, for the year of attendance, the statewide average
34 revenue limit per unit of average daily attendance for high school
35 districts with more than 300 units of average daily attendance.

36 (2) From the amount in paragraph (1), subtract one hundred
37 dollars (\$100).

38 (3) Multiply the amount in paragraph (2) by the average daily
39 attendance, for the year of attendance, for secondary school pupils

1 ~~attending the schools of the Capistrano Unified School District~~
2 ~~pursuant to Section 46610.~~

3 *SEC. 34. Section 47612 of the Education Code is amended to*
4 *read:*

5 47612. (a) A charter school shall be deemed to be under the
6 exclusive control of the officers of the public schools for purposes
7 of Section 8 of Article IX of the California Constitution, with
8 regard to the appropriation of public moneys to be apportioned to
9 any charter school, including, but not necessarily limited to,
10 appropriations made for purposes of this chapter.

11 (b) The average daily attendance in a charter school may not,
12 in any event, be generated by a pupil who is not a California
13 resident. To remain eligible for generating charter school
14 apportionments, a pupil over 19 years of age shall be continuously
15 enrolled in public school and make satisfactory progress towards
16 award of a high school diploma. The state board shall, on or before
17 January 1, 2000, adopt regulations defining "satisfactory progress."

18 (c) A charter school shall be deemed to be a "school district"
19 for purposes of Article 1 (commencing with Section 14000) of
20 Chapter 1 of Part 9 of *Division 1 of Title 1*, Section 41301, Section
21 41302.5, Article 10 (commencing with Section 41850) of Chapter
22 5 of Part 24 of *Division 3*, Section 47638, and Sections 8 and 8.5
23 of Article XVI of the California Constitution.

24 (d) For purposes of calculating average daily attendance, no
25 pupil shall generate more than one day of attendance in a calendar
26 day. Notwithstanding any other law, a charter school that operates
27 a ~~multitask~~ *multitrack* calendar shall comply with all of the
28 following:

29 (1) Calculate attendance separately for each track. The divisor
30 in the calculation shall be the calendar days in which school was
31 taught for pupils in each track.

32 (2) Operate no more than five tracks.

33 (3) Operate each track for a minimum of 175 days. If the charter
34 school is a conversion school, the charter school may continue its
35 previous schedule as long as it provides no fewer than 163 days
36 of instruction in each track.

37 (4) For each track, provide the total number of instructional
38 minutes, as specified in Section 47612.5.

39 (5) No track shall have less than 55 percent of its schooldays
40 before April 15.

1 (6) Unless otherwise authorized by statute, no pupil shall
2 generate more than one unit of average daily attendance in a fiscal
3 year.

4 (e) Compliance with the conditions set forth in this section shall
5 be included in the audits conducted pursuant to Section 41020.

6 *SEC. 35. Section 47614.5 of the Education Code is amended*
7 *to read:*

8 47614.5. (a) The Charter School Facility Grant Program is
9 hereby established, and, commencing with the 2013–14 fiscal year,
10 shall be administered by the California School Finance Authority.
11 The grant program is intended to provide assistance with facilities
12 rent and lease costs for pupils in charter schools.

13 (b) Subject to the annual Budget Act, eligible schools shall
14 receive an amount of up to, but not more than, seven hundred fifty
15 dollars (\$750) per unit of average daily attendance, as certified at
16 the second principal apportionment, to provide an amount of up
17 to, but not more than, 75 percent of the annual facilities rent and
18 lease costs for the charter school. In any fiscal year, if the funds
19 appropriated for the purposes of this section by the annual Budget
20 Act are insufficient to fund the approved amounts fully, the
21 California School Finance Authority shall apportion the available
22 funds on a pro rata basis.

23 (c) For purposes of this section, the California School Finance
24 Authority shall do all of the following:

25 (1) Inform charter schools of the grant program.

26 (2) Upon application by a charter school, determine eligibility,
27 based on the geographic location of the charter schoolsite, pupil
28 eligibility for free or reduced-price meals, and a preference in
29 admissions, as appropriate. Eligibility for funding shall not be
30 limited to the grade level or levels served by the school whose
31 attendance area is used to determine eligibility. Charter schoolsite
32 are eligible for funding pursuant to this section if the charter
33 schoolsite meets either of the following conditions:

34 (A) The charter schoolsite is physically located in the attendance
35 area of a public elementary school in which 70 percent or more of
36 the pupil enrollment is eligible for free or reduced-price meals and
37 the schoolsite gives a preference in admissions to pupils who are
38 currently enrolled in that public elementary school and to pupils
39 who reside in the elementary school attendance area where the
40 charter schoolsite is located.

1 (B) Seventy percent or more of the pupil enrollment at the
2 charter schoolsite is eligible for free or reduced-price meals.

3 (3) Inform charter schools of their grant eligibility.

4 (4) Commencing with the 2013–14 fiscal year, make
5 apportionments to a charter school for eligible expenditures
6 according to the following schedule:

7 (A) An initial apportionment by August 31 of each fiscal year
8 or 30 days after enactment of the annual Budget Act, whichever
9 is later, provided the charter school has submitted a timely
10 application for funding, as determined by the California School
11 Finance Authority. The initial apportionment shall be 50 percent
12 of the school's estimated annual entitlement as determined by this
13 section.

14 (B) A second apportionment by March 1 of each fiscal year.
15 This apportionment shall be 75 percent of the charter school's
16 estimated annual entitlement, as adjusted for any revisions in cost,
17 enrollment, and other data relevant to computing the charter
18 school's annual entitlement, less any funding already apportioned
19 to the charter school.

20 (C) A third apportionment within 30 days of the end of each
21 fiscal year or 30 days after receiving the data and documentation
22 needed to compute the charter school's total annual entitlement,
23 whichever is later. This apportionment shall be the charter school's
24 total annual entitlement less any funding already apportioned to
25 the charter school.

26 (D) Notwithstanding subparagraph (A), the initial apportionment
27 in the 2013–14 fiscal year shall be made by October 15, 2013, or
28 105 days after enactment of the Budget Act of 2013, whichever is
29 later.

30 (d) For the purposes of this section:

31 (1) The California School Finance Authority shall use prior year
32 data on pupil eligibility for free or reduced-price meals for the
33 charter schoolsite and prior year rent or lease costs provided by
34 charter schools to determine eligibility for the grant program until
35 current year data and actual rent or lease costs become known or
36 until June 30 of each fiscal year.

37 (2) If prior year rent or lease costs are unavailable, and the
38 current year lease and rent costs are not immediately available,
39 the California School Finance Authority shall use rent or lease
40 cost estimates provided by the charter school.

(3) The California School Finance Authority shall verify that the grant amount awarded to each charter school is consistent with eligibility requirements as specified in this section and in regulations adopted by the authority. If it is determined by the California School Finance Authority that a charter school did not receive the proper grant award amount, either the charter school shall transfer funds back to the authority as necessary within 60 days of being notified by the authority, or the authority shall provide an additional apportionment as necessary to the charter school within 60 days of notifying the charter school, subject to the availability of funds.

(e) Funds appropriated for purposes of this section shall not be apportioned for any of the following:

(1) Units of average daily attendance generated through nonclassroom-based instruction as defined by paragraph (2) of subdivision (d) of Section 47612.5 or that does not comply with conditions or limitations set forth in regulations adopted by the state board pursuant to this section.

(2) Charter schools occupying existing school district or county office of education facilities, except that charter schools shall be eligible for the portions of their facilities that are not existing school district or county office of education facilities.

(3) Charter schools receiving reasonably equivalent facilities from their chartering authorities pursuant to Section 47614, except that charter schools shall be eligible for the portions of their facilities that are not reasonably equivalent facilities received from their chartering authorities.

(f) Funds appropriated for purposes of this section shall be used for costs associated with facilities rents and leases, consistent with the definitions used in the California School Accounting Manual or regulations adopted by the California School Finance Authority. These funds also may be used for costs, including, but not limited to, costs associated with remodeling buildings, deferred maintenance, initially installing or extending service systems and other built-in equipment, and improving sites.

(g) If an existing charter school located in an elementary attendance area in which less than 50 percent of pupil enrollment is eligible for free or reduced-price meals relocates to an attendance area identified in paragraph (2) of subdivision (c), admissions

1 preference shall be given to pupils who reside in the elementary
2 school attendance area into which the charter school is relocating.

3 (h) The California School Finance Authority annually shall
4 report to the department and the Director of Finance, and post
5 information on its Internet Web site, regarding the use of funds
6 that have been made available during the fiscal year to each charter
7 school pursuant to the grant program.

8 (i) The California School Finance Authority, commencing with
9 the 2013–14 fiscal year, shall annually allocate the facilities grants
10 to eligible charter schools according to the schedule in paragraph
11 (4) of subdivision (c) for the current school year rent and lease
12 costs. However, the California School Finance Authority shall first
13 use the funding appropriated for this program to reimburse eligible
14 charter schools for unreimbursed rent or lease costs for the prior
15 school year.

16 (j) It is the intent of the Legislature that the funding level for
17 the Charter School Facility Grant Program for the 2012–13 fiscal
18 year be considered the base level of funding for subsequent fiscal
19 years.

20 (k) The Controller shall include instructions appropriate to the
21 enforcement of this section in the audit guide required by
22 subdivision (a) of Section 14502.1.

23 (l) The California School Finance Authority, effective with the
24 2013–14 fiscal year, shall be considered the senior creditor for
25 purposes of satisfying audit findings pursuant to the audit
26 instructions to be developed pursuant to subdivision (k).

27 (m) The California School Finance Authority ~~shall~~ may adopt
28 emergency regulations to implement this section. *Any regulations*
29 *adopted pursuant to this section may be adopted as emergency*
30 *regulations in accordance with the Administrative Procedure Act*
31 *(Chapter 3.5 (commencing with Section 11340) of Part 1 of*
32 *Division 3 of the Title 2 of the Government Code). The adoption*
33 *of these regulations shall be deemed to be an emergency and*
34 *necessary for the immediate preservation of the public peace,*
35 *health and safety, or general welfare.*

36 SEC. 36. Section 47631 of the Education Code is amended to
37 read:

38 47631. (a) Article 3 (commencing with Section 47636) shall
39 not apply to a charter granted pursuant to Section 47605.5.

(b) A ~~county-sponsored~~ charter school *authorized pursuant to Section 47605.5* shall receive the average daily attendance rate calculated pursuant to paragraph (1) of subdivision (c) of Section 2574 for enrolled pupils who are identified as any of the following:

(1) Probation-referred pursuant to Section 300, 601, 602, or 654 of the Welfare and Institutions Code.

(2) On probation or parole and not attending a school.

(3) Expelled for any of the reasons specified in subdivision (a) or (c) of Section 48915.

(c) A ~~county-sponsored~~ charter school *authorized pursuant to Section 47605.5* shall be funded pursuant to the local control funding formula pursuant to Section 42238.02, as implemented by Section 42238.03, for all pupils except for pupils funded pursuant to subdivision (b).

SEC. 37. Section 47633 of the Education Code is amended to read:

47633. The Superintendent shall annually compute a general-purpose entitlement, funded from a combination of state aid and local funds, for each charter school as follows:

(a) The Superintendent shall annually compute the statewide average amount of general-purpose funding per unit of average daily attendance received by school districts for each of four grade level ranges: kindergarten and grades 1, 2, and 3; grades 4, 5, and 6; grades 7 and 8; and, grades 9 to 12, inclusive. For purposes of making these computations, both of the following conditions shall apply:

(1) Revenue limit funding attributable to pupils in kindergarten and grades 1 to 5, inclusive, shall equal the statewide average revenue limit funding per unit of average daily attendance received by elementary school districts; revenue limit funding attributable to pupils in grades 6, 7, and 8, shall equal the statewide average revenue limit funding per unit of average daily attendance received by unified school districts; and revenue limit funding attributable to pupils in grades 9 to 12, inclusive, shall equal the statewide average revenue limit funding per unit of average daily attendance received by high school districts.

(2) Revenue limit funding received by school districts shall exclude the value of any benefit attributable to the presence of necessary small schools or necessary small high schools within the school district.

1 (b) The Superintendent shall multiply each of the four amounts
2 computed in subdivision (a) by the charter school's average daily
3 attendance in the corresponding grade level ranges. The resulting
4 figure shall be the amount of the charter school's general-purpose
5 entitlement, which shall be funded through a combination of state
6 aid and local funds. From funds appropriated for this purpose
7 pursuant to Section 14002, the superintendent shall apportion to
8 each charter school this amount, less local funds allocated to the
9 charter school pursuant to Section 47635 and any amount received
10 pursuant to subparagraph (B) of paragraph (3) of subdivision (e)
11 of Section 36 of Article XIII of the California Constitution.

12 (c) General-purpose entitlement funding may be used for any
13 public school purpose determined by the governing body of the
14 charter school.

15 (d) *Commencing with the 2013–14 fiscal year, this section shall*
16 *be used only for purposes of allocating revenues received pursuant*
17 *to subparagraph (B) of paragraph (3) of subdivision (e) of Section*
18 *36 of Article XIII of the California Constitution.*

19 (e) *This section shall become inoperative on July 1, 2021, and,*
20 *as of January 1, 2022, is repealed, unless a later enacted statute,*
21 *that becomes operative on or before January 1, 2022, deletes or*
22 *extends the dates on which it becomes inoperative and is repealed.*

23 SEC. 38. Section 48664 of the Education Code is amended to
24 read:

25 48664. (a) (1) In addition to funds from all other sources, the
26 Superintendent of Public Instruction shall apportion to each school
27 district that operates a community day school four thousand dollars
28 (\$4,000) per year, and for each county office of education that
29 operates a community day school three thousand dollars (\$3,000)
30 per year, for each unit of average daily attendance reported at the
31 annual apportionment for pupil attendance at community day
32 schools, adjusted annually commencing with the 1999–2000 fiscal
33 year for the inflation adjustment calculated pursuant to subdivision
34 (b) of Section 42238.1. Average daily attendance reported for this
35 program shall not exceed 0.375 percent of a *school* district's prior
36 year P2 average daily attendance in an elementary school district,
37 0.5 percent of a *school* district's prior year P2 average daily
38 attendance in a unified school district, or 0.625 percent of a *school*
39 district's prior year P2 average daily attendance in a high school
40 district. The units of average daily attendance of a community day

1 school operated by a county office of education shall not exceed
2 the unused units of average daily attendance of the community
3 day schools operated by the school districts within the jurisdiction
4 of that county office of education.

5 (2) The Superintendent of ~~Public Instruction~~ may reallocate to
6 any school district any unexpended balance of the appropriations
7 made for ~~the~~ purposes of this subdivision for actual pupil
8 attendance in excess of the percentage specified in this subdivision
9 for the school district in an amount not to exceed one-half of that
10 percentage. However, the average daily attendance generated by
11 pupils expelled pursuant to subdivision (d) of Section 48915, shall
12 not be subject to these percentage caps on average daily attendance.

13 (b) The average daily attendance of a community day school
14 shall be determined by dividing the total number of days of
15 attendance in all full school months, by a divisor of 70 in the first
16 period of each fiscal year, by a divisor of 135 in the second period
17 of each fiscal year, and by a divisor of 180 at the annual time of
18 each fiscal year.

19 (c) The Superintendent of ~~Public Instruction~~ shall apportion to
20 each school district that operates a community day school an
21 amount equal to four dollars (\$4), adjusted annually commencing
22 with the 1999–2000 fiscal year for inflation pursuant to subdivision
23 (b) of Section 42238.1, multiplied by the total of the number of
24 hours each schoolday, up to a maximum of two hours daily, that
25 each community day school pupil remains at the community day
26 school under the supervision of an employee of the school district,
27 or a consortium of school districts pursuant to Section 48916.1,
28 reporting the attendance of the pupils for apportionment funding
29 following completion of the full six-hour instructional day.

30 (d) It is the intent of the Legislature that *school* districts enter
31 into consortia, as feasible, for ~~the purpose~~ *purposes* of providing
32 community day school programs. ~~Any~~ A school district with fewer
33 than 2,501 units of average daily attendance may request a waiver
34 for any fiscal year of the funding limitations set forth in this
35 section. The Superintendent of ~~Public Instruction~~ shall approve a
36 waiver if he or she deems it necessary in order to permit the
37 operation of a community day school of reasonably comparable
38 quality to those offered in a school district with 2,501 or more
39 units of average daily attendance. In no event shall the amount
40 allocated pursuant to a waiver exceed the amount provided for one

1 teacher pursuant to Section 42284, for pupils enrolled in
2 kindergarten and grades 1 to 6, inclusive, or the amount provided
3 for one teacher pursuant to Section 42284, for pupils enrolled in
4 grades 7 to 12, inclusive. The provisions of this act shall not apply
5 to ~~any~~ a school district that applied for a waiver within the funding
6 limits established by this subdivision but was denied funding or
7 not fully funded.

8 (e) ~~The State Department of Education~~ *department* shall evaluate
9 and report to the appropriate legislative policy committees and
10 budget committees on or before October 1, 1998, and for two years
11 thereafter the following programmatic and fiscal issues:

12 (1) The number of expulsions statewide.

13 (2) The number of school districts operating community day
14 schools.

15 (3) Status of the countywide plans as defined in Section 48926.

16 (4) An evaluation of the community day school average daily
17 attendance funding percentage cap.

18 (5) Number of small school districts requesting and the number
19 receiving a waiver under this section.

20 (6) The effect of hourly accounting under Section 48663 for
21 purposes of receiving the additional funding under Section 48664.

22 (7) The number of pupils and average daily attendance served
23 in community day programs, further identified as the number
24 expelled pursuant to subdivision (b) of Section 48915, subdivision
25 (d) of Section 48915, other expulsion criteria, or referred through
26 a formal *school* district process.

27 (8) Pupil outcome data and other data as required under Section
28 48916.1.

29 (9) Other programmatic or fiscal matters as determined by the
30 ~~State Department of Education~~ *department*.

31 (f) The additional funds provided in subdivisions (a), (c), and
32 (d) shall only be allocated to the extent that funds are appropriated
33 for this purpose in the annual Budget Act or other legislation, or
34 ~~both, except for pupils expelled pursuant to subdivision (d) of~~
35 ~~Section 48915. For pupils expelled pursuant to subdivision (d) of~~
36 ~~Section 48915, the funds apportioned under subdivision (a) are~~
37 ~~continuously appropriated from the General Fund to Section A of~~
38 ~~the State School Fund.~~ *both.*

39 (g) A one-time adjustment shall be made to the amount specified
40 in subdivision (a), for the 1998–99 fiscal year and subsequent fiscal

1 years, by increasing that amount by the statewide average quotient
2 resulting from dividing the average daily attendance specified in
3 subparagraph (B) of paragraph (3) of subdivision (a) of Section
4 42238.8 by the amount specified in subparagraph (C) of paragraph
5 (3) of subdivision (a) of Section 42238.8.

6 *SEC. 39. Section 48667 of the Education Code is repealed.*

7 ~~48667. (a) For the purposes of this article, each county office~~
8 ~~of education shall be deemed to be a school district.~~

9 ~~(b) The Superintendent of Public Instruction shall use the~~
10 ~~revenue limit per unit of average daily attendance of the statewide~~
11 ~~average juvenile court school revenue limit per unit of average~~
12 ~~daily attendance for a community day school operated by a county~~
13 ~~office of education.~~

14 *SEC. 40. Section 49085 of the Education Code is amended to*
15 *read:*

16 49085. (a) ~~The~~ *On or before February 1, 2014, the* department
17 and the State Department of Social Services shall develop and
18 enter into a memorandum of understanding that shall, at a
19 minimum, require the State Department of Social Services, at least
20 once per week, to share with the department both of the following:

21 (1) Disaggregated information on children and youth in foster
22 care sufficient for the department to identify pupils in foster care.

23 (2) Disaggregated data on children and youth in foster care that
24 is helpful to county offices of education and other local educational
25 agencies responsible for ensuring that pupils in foster care received
26 appropriate educational supports and services.

27 (b) To the extent allowable under federal law, the department
28 shall regularly identify pupils in foster care and designate those
29 pupils in the California Longitudinal Pupil Achievement Data
30 System or any future data system used by the department to collect
31 disaggregated pupil outcome data.

32 (c) To the extent allowable under federal law, the
33 Superintendent, on or before ~~February 15~~ *July 1* of each
34 even-numbered year, shall report to the Legislature and the
35 Governor on the educational outcomes for pupils in foster care at
36 both the individual schoolsite level and school district level. The
37 report shall include, but is not limited to, all of the following:

38 (1) Individual schoolsite level and school district level
39 educational outcome data for each local educational agency that

1 enrolls at least 15 pupils in foster care, each county in which at
2 least 15 pupils in foster care attend school, and for the entire state.

3 (2) The number of pupils in foster care statewide and by each
4 local educational agency.

5 (3) The academic achievement of pupils in foster care.

6 (4) The incidence of suspension and expulsion for pupils in
7 foster care.

8 (5) Truancy rates, attendance rates, and dropout rates for pupils
9 in foster care.

10 (d) To the extent allowable under federal law, the department,
11 at least once per week, shall do all of the following:

12 (1) Inform school districts and charter schools of any pupils
13 enrolled in those school districts or charter schools who are in
14 foster care.

15 (2) Inform county offices of education of any pupils enrolled
16 in schools in the county who are in foster care.

17 (3) Provide schools districts, county office of education, and
18 charter schools disaggregated data helpful to ensuring pupils in
19 foster care receive appropriate educational supports and services.

20 (e) For purposes of this section “pupil in foster care” ~~means a~~
21 ~~pupil who is under the jurisdiction of the juvenile court pursuant~~
22 ~~to Section 300, 601, or 602 of the Welfare and Institutions Code.~~
23 *has the same meaning as “foster youth,” as defined in Section*
24 *42238.01.*

25 *SEC. 41. Section 52060 of the Education Code is amended to*
26 *read:*

27 52060. (a) On or before July 1, 2014, the governing board of
28 each school district shall adopt a local control and accountability
29 plan using a template adopted by the state board.

30 (b) A local control and accountability plan adopted by a
31 governing board of a school district shall be effective for a period
32 of three years, and shall be updated on or before July 1 of each
33 year.

34 (c) A local control and accountability plan adopted by a
35 governing board of a school district shall include, for the school
36 district and each school within the school district, ~~a description of~~
37 ~~both~~ *all* of the following:

38 (1) ~~The~~ *A description of the* annual goals, for all pupils and each
39 subgroup of pupils identified pursuant to Section 52052, to be
40 achieved for each of the state priorities identified in subdivision

(d) and for any additional local priorities identified by the governing board of the school district. For purposes of this article, a subgroup of pupils identified pursuant to Section 52052 shall be a numerically significant pupil subgroup as specified in paragraphs (2) and (3) of subdivision (a) of Section 52052.

(2) ~~The~~ *A description of the specific actions the school district will take during each year of the local control and accountability plan to achieve the goals identified in paragraph (1), including the enumeration of any specific actions necessary for that year to correct any deficiencies in regard to the state priorities listed in paragraph (1) of subdivision (d). The specific actions shall be consistent with local collective bargaining agreements within the jurisdiction of the school districts.*

(3) *A listing and description of the expenditures for the 2014–15 fiscal year implementing the specific actions included in the local control and accountability plan.*

(4) *A listing and description of the expenditures for the 2014–15 fiscal year that will serve the pupils to whom one or more of the definitions in Section 42238.01 apply, and pupils redesignated as fluent English proficient.*

(d) All of the following are state priorities:

(1) The degree to which the teachers of the school district are appropriately assigned in accordance with Section 44258.9, and fully credentialed in the subject areas, and, for the pupils they are teaching, every pupil in the school district has sufficient access to the standards-aligned instructional materials as determined pursuant to Section 60119, and school facilities are maintained in good repair as specified in subdivision (d) of Section 17002.

(2) Implementation of the academic content and performance standards adopted by the state board, including how the programs and services will enable English learners to access the common core academic content standards adopted pursuant to Section 60605.8 and the English language development standards adopted pursuant to Section 60811.3 for purposes of gaining academic content knowledge and English language proficiency.

(3) Parental involvement, including efforts the school district makes to seek parent input in making decisions for the school district and each individual schoolsite, and including how the school district will promote parental participation in programs for unduplicated pupils and individuals with exceptional needs.

(4) Pupil achievement, as measured by all of the following, as applicable:

(A) Statewide assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 or any subsequent assessment, as certified by the state board.

(B) The Academic Performance Index, as described in Section 52052.

(C) The percentage of pupils who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or ~~clusters of courses that satisfy the requirements of programs of study that align with state board-approved career technical educational standards and frameworks, including, but not limited to, those described in~~ subdivision (a) of Section 52302, subdivision (a) of Section 52372.5, or paragraph (2) of subdivision (e) of Section ~~54692, and align with state board-approved career technical education standards and frameworks.~~ 54692.

(D) The percentage of English learner pupils who make progress toward English proficiency as measured by the California English Language Development Test or any subsequent assessment of English proficiency, as certified by the state board.

(E) The English learner reclassification rate.

(F) The percentage of pupils who have passed an advanced placement examination with a score of 3 or higher.

(G) The percentage of pupils who participate in, and demonstrate college preparedness pursuant to, the Early Assessment Program, as described in Chapter 6 (commencing with Section 99300) of Part 65 of Division 14 of Title 3, or any subsequent assessment of college preparedness.

(5) Pupil engagement, as measured by all of the following, as applicable:

(A) School attendance rates.

(B) Chronic absenteeism rates.

(C) Middle school dropout rates, as described in paragraph (3) of subdivision (a) of Section 52052.1.

(D) High school dropout rates.

(E) High school graduation rates.

(6) School climate, as measured by all of the following, as applicable:

1 (A) Pupil suspension rates.

2 (B) Pupil expulsion rates.

3 (C) Other local measures, including surveys of pupils, parents,
4 and teachers on the sense of safety and school connectedness.

5 (7) The extent to which pupils have access to, and are enrolled
6 in, a broad course of study that includes all of the subject areas
7 described in Section 51210 and subdivisions (a) to (i), inclusive,
8 of Section 51220, as applicable, including the programs and
9 services developed and provided to unduplicated pupils and
10 individuals with exceptional needs, and the program and services
11 that are provided to benefit these pupils as a result of the funding
12 received pursuant to Section 42238.02, as implemented by Section
13 42238.03.

14 (8) Pupil outcomes, if available, in the subject areas described
15 in Section 51210 and subdivisions (a) to (i), inclusive, of Section
16 51220, as applicable.

17 (e) For purposes of the descriptions required by subdivision (c),
18 a governing board of a school district may consider qualitative
19 information, including, but not limited to, findings that result from
20 school quality reviews conducted pursuant to subparagraph (J) or
21 paragraph (4) of subdivision (a) of Section 52052 or any other
22 reviews.

23 (f) To the extent practicable, data reported in a local control and
24 accountability plan shall be reported in a manner consistent with
25 how information is reported on a school accountability report card.

26 (g) A governing board of a school district shall consult with
27 teachers, principals, administrators, other school personnel, *local*
28 *bargaining units of the school district*, parents, and pupils in
29 developing a local control and accountability plan.

30 (h) A school district may identify local priorities, goals in regard
31 to the local priorities, and the method for measuring the school
32 district's progress toward achieving those goals.

33 *SEC. 42. Section 52061 of the Education Code is amended to*
34 *read:*

35 52061. (a) On or before July 1, 2015, and each year thereafter,
36 a school district shall update the local control and accountability
37 plan. The annual update shall be developed using a template
38 developed pursuant to Section 52064 and shall include all of the
39 following:

1 (1) A review of any changes in the applicability of the goals
2 described in paragraph (1) of subdivision (c) of Section 52060.

3 (2) A review of the progress toward the goals included in the
4 existing local control and accountability plan, an assessment of
5 the effectiveness of the specific actions described in the existing
6 local control and accountability plan toward achieving the goals,
7 and a description of changes to the specific actions the school
8 district will make as a result of the review and assessment.

9 (3) A listing and description of the expenditures for the fiscal
10 year implementing the specific actions included in the local control
11 and accountability plan *and the changes to the specific actions*
12 *made* as a result of the reviews and assessment required by
13 paragraphs (1) and (2).

14 (4) A listing and description of expenditures for the fiscal year
15 that will serve the pupils to whom one or more of the definitions
16 in Section 42238.01 apply and pupils redesignated as fluent English
17 proficient.

18 (b) The expenditures identified in subdivision (a) shall be
19 classified using the California School Accounting Manual pursuant
20 to Section 41010.

21 *SEC. 43. Section 52062 of the Education Code is amended to*
22 *read:*

23 52062. (a) Before the governing board of a school district
24 considers the adoption of a local control and accountability plan
25 or an annual update to the local control and accountability plan,
26 all of the following shall occur:

27 (1) The superintendent of the school district shall present the
28 local control and accountability plan or annual update to the local
29 control and accountability plan to the parent advisory committee
30 established pursuant to Section 52063 for review and comment.
31 The superintendent of the school district shall respond, in writing,
32 to comments received from the parent advisory committee.

33 (2) The superintendent of the school district shall present the
34 local control and accountability plan or annual update to the local
35 control and accountability plan to the English learner parent
36 advisory committee established pursuant to Section 52063, if
37 applicable, for review and comment. The superintendent of the
38 school district shall respond, in writing, to comments received
39 from the English learner parent advisory committee.

(3) The superintendent of the school district shall notify members of the public of the opportunity to submit written comments regarding the specific actions and expenditures proposed to be included in the local control and accountability plan or annual update to the local control and accountability plan, using the most efficient method of notification possible. This paragraph shall not require a school district to produce printed notices or to send notices by mail. *The superintendent of the school district shall ensure that all written notifications related to the local control and accountability plan or annual update to the local control and accountability plan are provided consistent with Section 48985.*

(4) The superintendent of the school district shall review school plans submitted pursuant to Section 64001 for schools within the school district and ensure that the specific actions included in the local control and accountability plan or annual update to the local control and accountability plan are consistent with strategies included in the school plans submitted pursuant to Section 64001.

(b) (1) A governing board of a school district shall hold at least one public hearing to solicit the recommendations and comments of members of the public regarding the specific actions and expenditures proposed to be included in the local control and accountability plan or annual update to the local control and accountability plan. The agenda for the public hearing shall be posted at least 72 hours before the public hearing and shall include the location where the local control and accountability plan or annual update to the local control and accountability plan will be available for public inspection. The public hearing shall be held at the same meeting as the public hearing required by paragraph (1) of subdivision (a) of Section 42127.

(2) A governing board of a school district shall adopt a local control and accountability plan or annual update to the local control and accountability plan in a public meeting. This meeting shall be held after, but not on the same day as, the public hearing held pursuant to paragraph (1). This meeting shall be the same meeting as that during which the governing board of the school district adopts a budget pursuant to paragraph (2) of subdivision (a) of Section 42127.

(c) A governing board of a school district may adopt revisions to a local control and accountability plan during the period the local control and accountability plan is in effect. A governing board

1 of a school district may only adopt a revision to a local control
2 and accountability plan if it follows the process to adopt a local
3 control and accountability plan pursuant to this section and the
4 revisions are adopted in a public meeting.

5 *SEC. 44. Section 52066 of the Education Code is amended to*
6 *read:*

7 52066. (a) On or before July 1, 2014, each county
8 superintendent of schools shall develop, and present to the county
9 board of education for adoption, a local control and accountability
10 plan using a template adopted by the state board.

11 (b) A local control and accountability plan adopted by a county
12 board of education shall be effective for a period of three years,
13 and shall be updated on or before July 1 of each year.

14 (c) A local control and accountability plan adopted by a county
15 board of education shall include, for each school or program
16 operated by the county superintendent of schools, ~~a description of~~
17 ~~both~~ all of the following:

18 (1) ~~The~~ *A description of the* annual goals, for all pupils and each
19 subgroup of pupils identified pursuant to Section 52052, to be
20 achieved for each of the state priorities identified in subdivision
21 (d), as applicable to the pupils served, and for any additional local
22 priorities identified by the county board of education.

23 (2) ~~The~~ *A description of the* specific actions the county
24 superintendent of schools will take during each year of the local
25 control and accountability plan to achieve the goals identified in
26 paragraph (1), including the enumeration of any specific actions
27 necessary for that year to correct any deficiencies in regard to the
28 state priorities listed in paragraph (1) of subdivision (d). *The*
29 *specific actions shall be consistent with local collective bargaining*
30 *agreements within the jurisdiction of the county superintendent of*
31 *schools.*

32 (3) *A listing and description of the expenditures for the fiscal*
33 *year implementing the specific actions included in the local control*
34 *and accountability plan pursuant to paragraph (2).*

35 (4) *A listing and description of the expenditures for the fiscal*
36 *year that will serve the pupils to whom one or more of the*
37 *definitions in Section 42238.01 apply, and pupils redesignated as*
38 *fluent English proficient.*

39 (d) All of the following are state priorities:

(1) The degree to which the teachers in the schools or programs operated by the county superintendent of schools are appropriately assigned in accordance with Section 44258.9 and fully credentialed in the subject areas, and, for the pupils they are teaching, every pupil in the schools or programs operated by the county superintendent of schools has sufficient access to the standards-aligned instructional materials as determined pursuant to Section 60119, and school facilities are maintained in good repair as specified in subdivision (d) of Section 17002.

(2) Implementation of the academic content and performance standards adopted by the state board, including how the programs and services will enable English learners to access the common core academic content standards adopted pursuant to Section 60605.8 and the English language development standards adopted pursuant to Section 60811.3 for purposes of gaining academic content knowledge and English language proficiency.

(3) Parental involvement, including efforts the county superintendent of schools makes to seek parent input in making decisions for each individual schoolsite and program operated by a county superintendent of schools, and including how the county superintendent of schools will promote parental participation in programs for unduplicated pupils and individuals with exceptional needs.

(4) Pupil achievement, as measured by all of the following, as applicable:

(A) Statewide assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 or any subsequent assessment, as certified by the state board.

(B) The Academic Performance Index, as described in Section 52052.

(C) The percentage of pupils who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences ~~or clusters of courses that satisfy the requirements of programs of study that align with state board-approved career technical education standards and frameworks, including, but not limited to, those described in~~ subdivision (a) of Section 52302, subdivision (a) of Section 52372.5, or paragraph (2) of subdivision (e) of Section 54692, and

1 ~~align with state board-approved career technical education~~
2 ~~standards and frameworks. 54692.~~

3 (D) The percentage of English learner pupils who make progress
4 toward English proficiency as measured by the California English
5 Language Development Test or any subsequent assessment of
6 English proficiency, as certified by the state board.

7 (E) The English learner reclassification rate.

8 (F) The percentage of pupils who have passed an advanced
9 placement examination with a score of 3 or higher.

10 (G) The percentage of pupils who participate in, and demonstrate
11 college preparedness pursuant to, the Early Assessment Program,
12 as described in Chapter 6 (commencing with Section 99300) of
13 Part 65 of Division 14 of Title 3, or any subsequent assessment of
14 college preparedness.

15 (5) Pupil engagement, as measured by all of the following, as
16 applicable:

17 (A) School attendance rates.

18 (B) Chronic absenteeism rates.

19 (C) Middle school dropout rates, as described in paragraph (3)
20 of subdivision (a) of Section 52052.1.

21 (D) High school dropout rates.

22 (E) High school graduation rates.

23 (6) School climate, as measured by all of the following, as
24 applicable:

25 (A) Pupil suspension rates.

26 (B) Pupil expulsion rates.

27 (C) Other local measures, including surveys of pupils, parents,
28 and teachers on the sense of safety and school connectedness.

29 (7) The extent to which pupils have access to, and are enrolled
30 in, a broad course of study that includes all of the subject areas
31 described in Section 51210 and subdivisions (a) to (i), inclusive,
32 of Section 51220, as applicable, including the programs and
33 services developed and provided to unduplicated pupils and
34 individuals with exceptional needs, and the program and services
35 that are provided to benefit these pupils as a result of the funding
36 received pursuant to Section 42238.02, as implemented by Section
37 42238.03.

38 (8) Pupil outcomes, if available, in the subject areas described
39 in Section 51210 and subdivisions (a) to (i), inclusive, of Section
40 51220, as applicable.

1 (9) How the county superintendent of schools will coordinate
2 instruction of expelled pupils pursuant to Section 48926.

3 (10) How the county superintendent of schools will coordinate
4 services for foster children, including, but not limited to, all of the
5 following:

6 (A) Working with the county child welfare agency to minimize
7 changes in school placement.

8 (B) Providing education-related information to the county child
9 welfare agency to assist the county child welfare agency in the
10 delivery of services to foster children, including, but not limited
11 to, educational status and progress information that is required to
12 be included in court reports.

13 (C) Responding to requests from the juvenile court for
14 information and working with the juvenile court to ensure the
15 delivery and coordination of necessary educational services.

16 (D) Establishing a mechanism for the efficient expeditious
17 transfer of health and education records and the health and
18 education passport.

19 (e) For purposes of the descriptions required by subdivision (c),
20 a county board of education may consider qualitative information,
21 including, but not limited to, findings that result from school quality
22 reviews conducted pursuant to subparagraph (J) or paragraph (4)
23 of subdivision (a) of Section 52052 or any other reviews.

24 (f) To the extent practicable, data reported in a local control and
25 accountability plan shall be reported in a manner consistent with
26 how information is reported on a school accountability report card.

27 (g) The county superintendent of schools shall consult with
28 teachers, principals, administrators, other school personnel, *local*
29 *bargaining units of the county office of education*, parents, and
30 pupils in developing a local control and accountability plan.

31 (h) A county board of education may identify local priorities,
32 goals in regard to the local priorities, and the method for measuring
33 the county office of education's progress toward achieving those
34 goals.

35 *SEC. 45. Section 52068 of the Education Code is amended to*
36 *read:*

37 52068. (a) Before the county board of education considers the
38 adoption of a local control and accountability plan or an annual
39 update to the local control and accountability plan, all of the
40 following shall occur:

1 (1) The county superintendent of schools shall present the local
2 control and accountability plan or annual update to the local control
3 and accountability plan to a parent advisory committee established
4 pursuant to Section 52069 for review and comment. The county
5 superintendent of schools shall respond, in writing, to comments
6 received from the parent advisory committee.

7 (2) The county superintendent of schools shall present the local
8 control and accountability plan or annual update to the local control
9 and accountability plan to the English learner parent advisory
10 committee established pursuant to Section 52069, if applicable,
11 for review and comment. The county superintendent of schools
12 shall respond, in writing, to comments received from the English
13 learner parent advisory committee.

14 (3) The county superintendent of schools shall notify members
15 of the public of the opportunity to submit written comments
16 regarding the specific actions and expenditures proposed to be
17 included in the local control and accountability plan or annual
18 update to the local control and accountability plan, using the most
19 efficient method of notification possible. This paragraph shall not
20 require a county superintendent of schools to produce printed
21 notices or to send notices by mail. *The county superintendent of*
22 *schools shall ensure that all written notifications related to the*
23 *local control and accountability plan or annual update to the local*
24 *control and accountability plan are provided consistent with*
25 *Section 48985.*

26 (4) The county superintendent of schools shall review school
27 plans submitted pursuant to Section 64001 for schools operated
28 by the county superintendent of schools and ensure that the specific
29 actions included in the local control and accountability plan or
30 annual update to the local control and accountability plan are
31 consistent with strategies included in the school plans submitted
32 pursuant to Section 64001.

33 (b) (1) The county board of education shall hold at least one
34 public hearing to solicit the recommendations and comments of
35 members of the public regarding the specific actions and
36 expenditures proposed to be included in the local control and
37 accountability plan or annual update to the local control and
38 accountability plan. The agenda for the public hearing shall be
39 posted at least 72 hours before the public hearing and shall include
40 the location where the local control and accountability plan or

1 annual update to the local control and accountability plan, and any
2 comments received pursuant to paragraphs (1) to (3), inclusive, of
3 subdivision (a), will be available for public inspection. The public
4 hearing shall be held at the same meeting as the public hearing
5 required by Section 1620.

6 (2) The county board of education shall adopt a local control
7 and accountability plan or annual update to the local control and
8 accountability plan in a public meeting. This meeting shall be held
9 after, but not on the same day as, the public hearing held pursuant
10 to paragraph (1). This meeting shall be the same meeting as that
11 during which the county board of education adopts a budget
12 pursuant to Section 1622.

13 (c) A county superintendent of schools may develop and present
14 to a county board of education for adoption revisions to a local
15 control and accountability plan during the period the local control
16 and accountability plan is in effect. The county board of education
17 may only adopt a revision to a local control and accountability
18 plan if it follows the process to adopt a local control and
19 accountability plan pursuant to this section and the revisions are
20 adopted in a public meeting.

21 *SEC. 46. Section 52070 of the Education Code is amended to*
22 *read:*

23 52070. (a) Not later than five days after adoption of a local
24 control and accountability plan or annual update to a local control
25 and accountability plan, the governing board of a school district
26 shall file the local control and accountability plan or annual update
27 to the local control and accountability plan with the county
28 superintendent of schools.

29 (b) On or before August 15 of each year, the county
30 superintendent of schools may seek clarification, in writing, from
31 the governing board of a school district about the contents of the
32 local control and accountability plan or annual update to the local
33 control and accountability plan. Within 15 days the governing
34 board of a school district shall respond, in writing, to requests for
35 clarification.

36 (c) Within 15 days of receiving the response from the governing
37 board of the school district, the county superintendent of schools
38 may submit recommendations, in writing, for amendments to the
39 local control and accountability plan or annual update to the local
40 control and accountability plan. The governing board of a school

1 district shall consider the recommendations submitted by the county
2 superintendent of schools in a public meeting within 15 days of
3 receiving the recommendations.

4 (d) The county superintendent of schools shall approve a local
5 control and accountability plan or annual update to a local control
6 and accountability plan on or before October 8, if he or she
7 determines ~~both~~ all of the following:

8 (1) The local control and accountability plan or annual update
9 to the local control and accountability plan adheres to the template
10 adopted by the state board pursuant to Section 52064.

11 (2) The budget for the applicable fiscal year adopted by the
12 governing board of the school district includes expenditures
13 sufficient to implement the specific actions and strategies included
14 in the local control and accountability plan adopted by the
15 governing board of the school district, based on the projections of
16 the costs included in the plan.

17 (3) *The local control and accountability plan or annual update*
18 *to the local control and accountability plan adheres to the*
19 *expenditure requirements adopted pursuant to Section 42238.07*
20 *for funds apportioned on the basis of the number and concentration*
21 *of unduplicated pupils pursuant to Sections 42238.02 and*
22 *42238.03.*

23 (e) If a county superintendent of schools has jurisdiction over
24 a single school district, the Superintendent shall designate a county
25 superintendent of schools of an adjoining county to perform the
26 duties specified in this section.

27 *SEC. 47. Section 52070.5 of the Education Code is amended*
28 *to read:*

29 52070.5. (a) Not later than five days after adoption of a local
30 control and accountability plan or annual update to a local control
31 and accountability plan, the county board of education shall file
32 the local control and accountability plan or annual update to the
33 local control and accountability plan with the Superintendent.

34 (b) On or before August 15 of each year, the Superintendent
35 may seek clarification, in writing, from the county board of
36 education about the contents of the local control and accountability
37 plan or annual update to the local control and accountability plan.
38 Within 15 days the county board of education shall respond, in
39 writing, to requests for clarification.

(c) Within 15 days of receiving the response from the county board of education, the Superintendent may submit recommendations, in writing, for amendments to the local control and accountability plan or annual update to the local control and accountability plan. The county board of education shall consider the recommendations submitted by the Superintendent in a public meeting within 15 days of receiving the recommendations.

(d) The Superintendent shall approve a local control and accountability plan or annual update to a local control and accountability plan on or before October 8, if he or she determines ~~both~~ *all* of the following:

(1) The local control and accountability plan or annual update to the local control and accountability plan adheres to the template adopted by the state board pursuant to Section 52064.

(2) The budget for the applicable fiscal year adopted by the county board of education includes expenditures sufficient to implement the specific actions and strategies included in the local control and accountability plan adopted by the county board of education, based on the projections of the costs included in the plan.

(3) *The local control and accountability plan or annual update to the local control and accountability plan adheres to the expenditure requirements adopted pursuant to Section 42238.07 for funds apportioned on the basis of the number and concentration of unduplicated pupils pursuant to Sections 2574 and 2575.*

SEC. 48. Section 52074 of the Education Code is amended to read:

52074. (a) The California Collaborative for Educational Excellence is hereby established.

(b) The purpose of the California Collaborative for Educational Excellence is to advise and assist school districts, county superintendents of schools, and charter schools in achieving the goals set forth in a local control and accountability plan adopted pursuant to this article.

(c) The Superintendent shall, with the approval of the state board, contract with ~~individuals~~, *a local educational agency, or consortium of local educational agencies, to serve as the fiscal agent for the California Collaborative for Educational Excellence.* *The Superintendent shall apportion funds appropriated for the*

1 *California Collaborative for Educational Excellence to the fiscal*
2 *agent.*

3 (d) *At the direction of the Superintendent and with the approval*
4 *of the state board, the fiscal agent shall contract with individuals,*
5 *local educational agencies, or organizations with the expertise,*
6 *experience, and a record of success to carry out the purposes of*
7 *this article. The areas of expertise, experience, and record of*
8 *success shall include, but are not limited to, all of the following:*

9 (1) *State priorities as described in subdivision (d) of Section*
10 *52060.*

11 (2) *Improving the quality of teaching.*

12 (3) *Improving the quality of school district and schoolsite*
13 *leadership.*

14 (4) *Successfully addressing the needs of special pupil*
15 *populations, including, but not limited to, English learners, pupils*
16 *eligible to receive a free or reduced-price meal, pupils in foster*
17 *care, and individuals with exceptional needs.*

18 ~~(4)~~

19 (e) *The Superintendent may direct the California Collaborative*
20 *for Educational Excellence to advise and assist a school district,*
21 *county superintendent of schools, or charter school in any of the*
22 *following circumstances:*

23 (1) *If the governing board of a school district, county board of*
24 *education, or governing body or a charter school requests the advice*
25 *and assistance of the California Collaborative for Educational*
26 *Excellence.*

27 (2) *If the county superintendent of schools of the county in*
28 *which the school district or charter school is located determines,*
29 *following the provision of technical assistance pursuant to Section*
30 *52071 or 47607.3 as applicable, that the advice and assistance of*
31 *the California Collaborative for Educational Excellence is*
32 *necessary to help the school district or charter school accomplish*
33 *the goals described in the local control and accountability plan*
34 *adopted pursuant to this article.*

35 (3) *If the Superintendent determines that the advice and*
36 *assistance of the California Collaborative for Educational*
37 *Excellence is necessary to help the school district, county*
38 *superintendent of schools, or charter school accomplish the goals*
39 *set forth in the local control and accountability plan adopted*
40 *pursuant to this article.*

1 *SEC. 49. Section 56836.11 of the Education Code is amended*
2 *to read:*

3 56836.11. (a) For the purpose of computing the equalization
4 adjustment for special education local plan areas for the 1998–99
5 fiscal year, the Superintendent shall make the following
6 computations to determine the statewide target amount per unit of
7 average daily attendance for special education local plan areas:

8 (1) Total the amount of funding computed for each special
9 education local plan area exclusive of the amount of funding
10 computed for the special education local plan area identified as
11 the Los Angeles County Juvenile Court and Community
12 School/Division of Alternative Education Special Education Local
13 Plan Area, pursuant to Section 56836.09 for the 1997–98 fiscal
14 year.

15 (2) Total the number of units of average daily attendance
16 reported for each special education local plan area for the 1997–98
17 fiscal year, exclusive of average daily attendance for absences
18 excused pursuant to subdivision (b) of Section 46010 as that section
19 read on July 1, 1996, and exclusive of the units of average daily
20 attendance computed for the special education local plan area
21 identified as the Los Angeles County Juvenile Court and
22 Community School/Division of Alternative Education Special
23 Education Local Plan Area.

24 (3) Divide the sum computed in paragraph (1) by the sum
25 computed in paragraph (2) to determine the statewide target amount
26 for the 1997–98 fiscal year.

27 (4) Add the amount computed in paragraph (3) to the inflation
28 adjustment computed pursuant to subdivision (d) of Section
29 56836.08 for the 1998–99 fiscal year to determine the statewide
30 target amount for the 1998–99 fiscal year.

31 (b) Commencing with the 1999–2000 fiscal year to the 2004–05
32 fiscal year, inclusive, to determine the statewide target amount per
33 unit of average daily attendance for special education local plan
34 areas, the Superintendent shall multiply the statewide target amount
35 per unit of average daily attendance computed for the prior fiscal
36 year pursuant to this section by one plus the inflation factor
37 computed pursuant to subdivision (b) of Section 42238.1 for the
38 fiscal year in which the computation is made.

39 (c) Commencing with the 2005–06 fiscal year and ~~each fiscal~~
40 ~~year thereafter, ending with the 2010–11 fiscal year,~~ to determine

1 the statewide target amount per unit of average daily attendance
2 for special education local plan areas for the purpose of computing
3 the incidence multiplier pursuant to *former* Section 56836.155,
4 the Superintendent shall add the statewide target amount per unit
5 of average daily attendance computed for the prior fiscal year for
6 this purpose to the amount computed in paragraph (2) of
7 subdivision (d) or paragraph (2) of subdivision (e), as appropriate.

8 (d) For the 2005–06 fiscal year, the Superintendent shall make
9 the following computation to determine the statewide target amount
10 per unit of average daily attendance to determine the inflation
11 adjustment pursuant to paragraph (2) of subdivision (d) of Section
12 56836.08 and growth pursuant to subdivision (c) of Section
13 56836.15, as follows:

14 (1) The 2004–05 fiscal year statewide target amount per unit of
15 average daily attendance less the sum of the 2004–05 fiscal year
16 total amount of federal funds apportioned pursuant to Schedule
17 (1) in Item 6110-161-0890 of Section 2.00 of the Budget Act of
18 2004 for purposes of special education for individuals with
19 exceptional needs enrolled in kindergarten and grades 1 to 12,
20 inclusive, divided by the total average daily attendance computed
21 for the 2004–05 fiscal year.

22 (2) Multiply the amount computed in paragraph (1) by the
23 inflation factor computed pursuant to subdivision (b) of Section
24 42238.1 for the fiscal year in which the computation is made.

25 (3) Add the amounts computed in paragraphs (1) and (2).

26 (e) Commencing with the 2006–07 fiscal year and continuing
27 through the 2012–13 fiscal year, inclusive, the Superintendent
28 shall make the following computation to determine the statewide
29 target amount per unit of average daily attendance for special
30 education local plan areas for the purpose of computing the
31 inflation adjustment pursuant to paragraph (2) of subdivision (d)
32 of Section 56836.08 and growth pursuant to subdivision (c) of
33 Section 56836.15:

34 (1) The statewide target amount per unit of average daily
35 attendance computed for the prior fiscal year pursuant to this
36 section.

37 (2) Multiply the amount computed in paragraph (1) by the
38 inflation factor computed pursuant to subdivision (b) of Section
39 42238.1 for the fiscal year in which the computation is made.

40 (3) Add the amounts computed in paragraphs (1) and (2).

(f) For the 2013–14 fiscal year, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance to determine the inflation adjustment pursuant to subdivision (g) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15, as follows:

(1) Total the amount of funding computed for each special education local plan area pursuant to the amount computed in subdivision (b) of Section 56836.08 ~~exclusive of, including the amount of funds appropriated pursuant to Provision 22 of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2013, and~~ excluding the amount of funding computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, for the 2013–14 fiscal year.

(2) Total the number of units of average daily attendance reported for each special education local plan area for the 2012–13 fiscal year, exclusive of the units of average daily attendance computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area.

(3) Divide the sum computed in paragraph (1) by the sum computed in paragraph (2).

(g) Commencing with the 2014–15 fiscal year and continuing each fiscal year thereafter, the Superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the inflation adjustment pursuant to subdivision (g) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15:

(1) The statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section.

(2) Multiply the amount computed in paragraph (1) by the inflation factor computed pursuant to Section 42238.1, as that section read on January 1, 2013, or any successor section of law enacted by the Legislature that specifies the inflation factor contained in Section 42238.1, as that section read on January 1,

1 2013, for application to the 2014–15 fiscal year and each fiscal
2 year thereafter.

3 (3) Add the amounts computed in paragraphs (1) and (2).

4 *SEC. 50. Section 70022 of the Education Code is amended to*
5 *read:*

6 70022. (a) (1) Subject to an available and sufficient
7 appropriation, commencing with the 2014–15 academic year, an
8 undergraduate student enrolled in the California State University
9 or the University of California who meets the requirements of
10 paragraph (2) is eligible for a scholarship award as described in
11 that paragraph.

12 (2) Each academic year, except as provided in paragraphs (3)
13 and (4), a student shall receive a scholarship award in an amount
14 that, combined with other publicly funded student financial aid
15 received by an eligible student, is up to 40 percent of the amount
16 charged to that student in that academic year for mandatory
17 systemwide tuition *and fees*, if all of the following requirements
18 are met:

19 (A) The student’s annual household income does not exceed
20 one hundred fifty thousand dollars (\$150,000). For purposes of
21 this article, annual household income shall be calculated in a
22 manner that is consistent with the requirements applicable to the
23 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
24 (Chapter 1.7 (commencing with Section 69430)) and Section
25 69506.

26 (B) The student satisfies the eligibility requirements for a Cal
27 Grant award pursuant to Section 69433.9, except that a student
28 who is exempt from nonresident tuition under Section 68130.5
29 shall not be required to satisfy the requirements of subdivision (a)
30 of Section 69433.9.

31 (C) The student is exempt from paying nonresident tuition.

32 (D) The student completes and submits a Free Application for
33 Federal Student Aid (FAFSA) application. If the student is not
34 able to complete a FAFSA application, the student submits an
35 application determined by the commission to be equivalent to the
36 FAFSA application for purposes of this article.

37 (E) The student makes a timely application or applications for
38 publicly funded student financial aid from programs for which he
39 or she is eligible, other than the program established by this article.
40 For purposes of this article, “publicly funded student financial aid”

1 shall be defined as the federal Pell Grant Program, the Cal Grant
2 Program, and institutional need-based grants.

3 (F) The student maintains ~~at least a 2.0 grade point average~~
4 *satisfactory academic progress* in a manner that is consistent with
5 the requirements applicable to the
6 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
7 ~~(Chapter 1.7 (commencing with Section 69430))~~; *pursuant to*
8 *subdivision (m) of Section 69432.7*.

9 (3) The scholarship award under this article to a student whose
10 annual household income is greater than one hundred thousand
11 dollars (\$100,000), and who otherwise meets the requirements of
12 paragraph (2), shall be reduced by 0.6-percent increments, from a
13 maximum 40 percent of mandatory systemwide tuition *and fees*
14 for an academic year to a minimum 10 percent of mandatory
15 systemwide tuition *and fees* for an academic year, per one thousand
16 dollars (\$1,000) of annual household income in excess of one
17 hundred thousand dollars (\$100,000), provided that no scholarship
18 award shall be provided to a student with an annual household
19 income ~~of exceeding~~ one hundred fifty thousand dollars ~~(\$150,000)~~
20 ~~or more: (\$150,000)~~. This reduction shall be in addition to any
21 reduction required by subdivision (e) of Section 70023.

22 (4) For the 2014–15, 2015–16, and 2016–17 academic years,
23 the maximum amount of a student's scholarship award shall be 35
24 percent, 50 percent, and 75 percent, respectively, of the total
25 scholarship award amount that the student would otherwise be
26 eligible to receive.

27 (b) In order for students enrolled in their respective segments
28 to remain eligible to receive a scholarship under this article, the
29 University of California and the California State University shall
30 ~~maintain not supplant~~ their respective institutional need-based
31 ~~grant program policies~~; *grants with the funds provided for*
32 *scholarships under this article*, and shall maintain their funding
33 amounts at a level that, at a minimum, is equal to the level
34 maintained *for undergraduate students* during the 2013–14
35 academic year.

36 (c) The University of California and the California State
37 University shall report on the implementation of this article as part
38 of the report made pursuant to Section 66021.1.

SEC. 51. *Section 84321.6 of the Education Code, as added by Section 74 of Chapter 48 of the Statutes of 2013, is amended to read:*

84321.6. (a) Notwithstanding any other law that governs the regulations adopted by the Chancellor of the California Community Colleges to disburse funds, the payment of apportionments to community college districts pursuant to Sections 84320 and 84321 shall be adjusted by the following:

(1) For the month of February, ~~fifty-five million two hundred thirty-three~~ *fifty-two million four hundred fifty-six* thousand dollars ~~(\$55,233,000)~~ *(\$52,456,000)* shall be deferred to July.

(2) For the month of March, one hundred thirty-five million dollars (\$135,000,000) shall be deferred to July.

(3) For the month of April, one hundred thirty-five million dollars (\$135,000,000) shall be deferred to July.

(4) For the month of May, one hundred thirty-five million dollars (\$135,000,000) shall be deferred to July.

(5) For the month of June, one hundred thirty-five million dollars (\$135,000,000) shall be deferred to July.

(b) In satisfaction of the moneys deferred pursuant to subdivision (a), the sum of five hundred ~~ninety-one million two hundred thirty-three~~ *ninety-two million four hundred fifty-six* thousand dollars ~~(\$591,233,000)~~ *(\$592,456,000)* is hereby appropriated in July of the 2014–15 fiscal year from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts, for expenditure during the 2014–15 fiscal year, to be expended in accordance with Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2013.

(c) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (b) shall be deemed to be “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202, for the 2014–15 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for the 2014–15 fiscal year.

(d) This section shall become operative on December 15, 2013.

(e) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 52. Section 17581.7 of the Government Code is amended to read:

17581.7. (a) Funding apportioned pursuant to this section shall constitute reimbursement pursuant to Section 6 of Article XIII B of the California Constitution for the performance of any state mandates included in the statutes and executive orders identified in subdivision (e).

(b) Any community college district may elect to receive block grant funding pursuant to this section.

(c) (1) A community college district that elects to receive block grant funding pursuant to this section in a given fiscal year shall submit a letter requesting funding to the Chancellor of the California Community Colleges on or before August 30 of that fiscal year.

(2) The Chancellor of the California Community Colleges shall apportion, in the month of November of each year, block grant funding appropriated in Item 6870-296-0001 of Section 2.00 of the annual Budget Act to all community college districts that submitted letters requesting funding in that fiscal year according to the provisions of that item.

(3) A community college district that receives block grant funding pursuant to this section shall not be eligible to submit claims to the Controller for reimbursement pursuant to Section 17560 for any costs of any state mandates included in the statutes and executive orders identified in subdivision (e) incurred in the same fiscal year during which the community college district received funding pursuant to this section.

(d) All funding apportioned pursuant to this section is subject to annual financial and compliance audits required by Section 84040 of the Education Code.

(e) Block grant funding apportioned pursuant to this section is specifically intended to fund the costs of the following programs:

(1) Agency Fee Arrangements (00-TC-17 and 01-TC-14; Chapter 893 of the Statutes of 2000; and Chapter 805 of the Statutes of 2001).

(2) Cal Grants (02-TC-28; Chapter 403 of the Statutes of 2000).

1 (3) California State ~~Teachers~~ *Teachers'* Retirement System
2 (*CalSTRS*) Service Credit (02-TC-19; Chapter 603 of the Statutes
3 of 1994; Chapters 383, 634, and 680 of the Statutes of 1996;
4 Chapter 838 of the Statutes of 1997; Chapter 965 of the Statutes
5 of 1998; Chapter 939 of the Statutes of 1999; and Chapter 1021
6 of the Statutes of 2000).

7 (4) Collective Bargaining *and Collective Bargaining Agreement*
8 *Disclosure* (CSM 4425 and 97-TC-08; Chapter 961 of the Statutes
9 of ~~1975~~; 1975; Chapter 1213 of the Statutes of 1991).

10 (5) Community College Construction (02-TC-47; Chapter 910
11 of the Statutes of 1980; Chapters 470 and 891 of the Statutes of
12 1981; Chapter 973 of the Statutes of 1988; Chapter 1372 of the
13 Statutes of 1990; Chapter 1038 of the Statutes of 1991; and Chapter
14 758 of the Statutes of 1995).

15 (6) Discrimination Complaint Procedures (02-TC-42 and
16 portions of 02-TC-25 and 02-TC-31; Chapter 1010 of the Statutes
17 of 1976; Chapter 470 of the Statutes of 1981; Chapter 1117 of the
18 Statutes of 1982; Chapter 143 of the Statutes of 1983; Chapter
19 1371 of the Statutes of 1984; Chapter 973 of the Statutes of 1988;
20 Chapter 1372 of the Statutes of 1990; Chapter 1198 of the Statutes
21 of 1991; Chapter 914 of the Statutes of 1998; Chapter 587 of the
22 Statutes of 1999; and Chapter 1169 of the Statutes of 2002).

23 (7) Enrollment Fee Collection and Waivers (99-TC-13 and
24 00-TC-15).

25 (8) Health Fee Elimination (CSM 4206; Chapter 1 of the Statutes
26 of 1984, Second Extraordinary Session).

27 (9) Minimum Conditions for State Aid (02-TC-25 and 02-TC-31;
28 Chapter 802 of the Statutes of 1975; Chapters 275, 783, 1010, and
29 1176 of the Statutes of 1976; Chapters 36 and 967 of the Statutes
30 of 1977; Chapters 797 and 977 of the Statutes of 1979; Chapter
31 910 of the Statutes of 1980; Chapters 470 and 891 of the Statutes
32 of 1981; Chapters 1117 and 1329 of the Statutes of 1982; Chapters
33 143 and 537 of the Statutes of 1983; Chapter 1371 of the Statutes
34 of 1984; Chapter 1467 of the Statutes of 1986; Chapters 973 and
35 1514 of the Statutes of 1988; Chapters 1372 and 1667 of the
36 Statutes of 1990; Chapters 1038, 1188, and 1198 of the Statutes
37 of 1991; Chapters 493 and 758 of the Statutes of 1995; Chapters
38 365, 914, and 1023 of the Statutes of 1998; Chapter 587 of the
39 Statutes of 1999; Chapter 187 of the Statutes of 2000; and Chapter
40 1169 of the Statutes of 2002).

1 (10) Prevailing Wage Rate (01-TC-28; Chapter 1249 of the
2 Statutes of 1978).

3 (11) Reporting Improper Governmental Activities (02-TC-24;
4 Chapter 416 of the Statutes of 2001; and Chapter 81 of the Statutes
5 of 2002).

6 (12) Threats Against Peace Officers (CSM 96-365-02; Chapter
7 1249 of the Statutes of 1992; and Chapter 666 of the Statutes of
8 1995).

9 (13) Tuition Fee Waivers (02-TC-21; Chapter 36 of the Statutes
10 of 1977; Chapter 580 of the Statutes of 1980; Chapter 102 of the
11 Statutes of 1981; Chapter 1070 of the Statutes of 1982; Chapter
12 753 of the Statutes of 1988; Chapters 424, 900, and 985 of the
13 Statutes 1989; Chapter 1372 of the Statutes of 1990; Chapter 455
14 of the Statutes of 1991; Chapter 8 of the Statutes of 1993; Chapter
15 389 of the Statutes of 1995; Chapter 438 of the Statutes of 1997;
16 Chapter 952 of the Statutes of 1998; Chapters 571 and 949 of the
17 Statutes of 2000; Chapter 814 of the Statutes of 2001; and Chapter
18 450 of the Statutes of 2002).

19 (f) Notwithstanding Section 10231.5, on or before November
20 1 of each fiscal year, the Chancellor of the California Community
21 Colleges shall produce a report that indicates the total amount of
22 block grant funding each community college district received in
23 the current fiscal year pursuant to this section. The chancellor shall
24 provide this report to the appropriate fiscal and policy committees
25 of the Legislature, the Controller, the Department of Finance, and
26 the Legislative Analyst's Office.

27 *SEC. 53. Section 26225 of the Public Resources Code is*
28 *amended to read:*

29 26225. For the purposes of this chapter, the following terms
30 have the following meanings:

31 (a) "Chancellor" means the Chancellor of the California
32 Community Colleges.

33 (b) "Energy Commission" means the State Energy Resources
34 Conservation and Development Commission.

35 (c) "Local education~~agency~~ agency," "local educational
36 agency," or "LEA" means a school district, county office of
37 education, charter school, or state special school.

38 (d) "Job Creation Fund" means the Clean Energy Job Creation
39 Fund established in Section 26205.

1 SEC. 54. Section 26233 of the Public Resources Code is
2 amended to read:

3 26233. (a) Commencing with the 2013–14 fiscal year and
4 through the 2017–18 fiscal year, inclusive, the funds deposited
5 annually in the Job Creation Fund and remaining after the transfer
6 pursuant to Section 26227 and the appropriation pursuant to Section
7 26230 shall be allocated, to the extent consistent with this division,
8 as follows:

9 (1) Eighty-nine percent of the funds shall be available to local
10 educational agencies and allocated by the Superintendent of Public
11 Instruction pursuant to subdivision (b).

12 (2) Eleven percent of the funds shall be available to community
13 college districts and allocated by the Chancellor of the California
14 Community Colleges at his or her discretion.

15 (b) The Superintendent of Public Instruction shall allocate the
16 funds provided in paragraph (1) of subdivision (a) as follows:

17 (1) Eighty-five percent on the basis of average daily attendance
18 reported as of the second principal apportionment for the prior
19 fiscal year. *For purposes of this section, average daily attendance*
20 *for the state special schools shall be deemed to be 97 percent of*
21 *the prior year enrollment as reported in the California*
22 *Longitudinal Pupil Achievement Data System.*

23 (A) For every local-~~education~~ educational agency with average
24 daily attendance as reported pursuant to this subdivision of 100 or
25 less, the amount awarded shall be fifteen thousand dollars
26 (\$15,000).

27 (B) For every local-~~education~~ educational agency with average
28 daily attendance as reported pursuant to this subdivision in excess
29 of 100, but 1,000 or less, the amount awarded shall be either that
30 local educational agency's proportional award on the basis of
31 average daily attendance or fifty thousand dollars (\$50,000),
32 whichever amount is larger.

33 (C) For every local-~~education~~ educational agency with average
34 daily attendance as reported pursuant to this subdivision in excess
35 of 1,000, but less than 2,000, the amount awarded shall be either
36 that local-~~education~~ educational agency's proportional award on
37 the basis of average daily attendance or one hundred thousand
38 dollars (\$100,000), whichever amount is larger.

39 (D) For every local-~~education~~ educational agency with average
40 daily attendance as reported pursuant to this subdivision of 2,000

1 or more, the amount awarded shall be the local~~—education~~
2 *educational* agency's proportional award on the basis of average
3 daily attendance.

4 (2) Fifteen percent on the basis of students eligible for free and
5 reduced-price meals in the prior year.

6 (3) For every local~~—education~~ *educational* agency that receives
7 over one million dollars (\$1,000,000) pursuant to this subdivision,
8 not less than 50 percent of the funds shall be used for projects
9 larger than two hundred fifty thousand dollars (\$250,000) that
10 achieve substantial energy efficiency, clean energy, and jobs
11 benefits.

12 (c) A local~~—education~~ *educational* agency subject to
13 subparagraph (A) or (B) of paragraph (1) of subdivision (b) may
14 submit a written request to the Superintendent of Public Instruction,
15 by ~~August~~ *September* 1 of each year, to receive in the current year
16 its funding allocation for both the current year and the following
17 year, both of which would be based on the average daily attendance
18 used in the current year for determining funding pursuant to the
19 applicable subparagraph. A local~~—education~~ *educational* agency
20 requesting funding pursuant to this subdivision shall not receive
21 a funding allocation in the year following the request. *This election*
22 *applies to the funding available pursuant to paragraphs (1) and*
23 *(2) of subdivision (b).*

24 (d) A local~~—education~~ *educational* agency shall encumber funds
25 received pursuant to this section by June 30, 2018.

26 *SEC. 55. Section 26235 of the Public Resources Code is*
27 *amended to read:*

28 26235. (a) The Energy Commission, in consultation with the
29 Superintendent of Public Instruction, the Chancellor of the
30 California Community Colleges, and the Public Utilities
31 Commission, shall establish guidelines for the following:

32 (1) Standard methods for estimating energy benefits, including
33 reasonable assumptions for current and future costs of energy, and
34 guidelines to compute the cost of energy saved as a result of
35 implementing eligible projects funded by this chapter.

36 (2) Contractor qualifications, licensing, and certifications
37 appropriate for the work to be performed, provided that the Energy
38 Commission shall not create any new qualification, license, or
39 certification pursuant to this subparagraph.

40 (3) Project evaluation, including the following:

1 (A) Benchmarks or energy rating systems to select best
2 candidate facilities.

3 (B) Use of energy surveys or audits to inform project
4 opportunities, costs, and savings.

5 (C) Sequencing of facility improvements.

6 (D) Methodologies for cost-effectiveness determination.

7 (4) To ensure that adequate energy audit, measurement, and
8 verification procedures are employed to ensure that energy savings
9 and greenhouse gas emissions reductions occur as a result of any
10 funding provided pursuant to this section. The Energy Commission
11 shall develop a simple preinstallation verification form that includes
12 project description, estimated energy savings, expected number
13 of jobs created, current energy usage, and costs. The Energy
14 Commission may develop benchmarking and other innovative
15 facility evaluation systems in coordination with the University of
16 California.

17 (5) Achievement of the maximum feasible energy efficiency or
18 clean energy benefits, as well as job creation benefits for
19 Californians, resulting from projects implemented pursuant to this
20 chapter.

21 (6) Where applicable, ensuring LEAs assist classified school
22 employees with training and information to better understand how
23 they can support and maximize the achievement of energy savings
24 envisioned by the funded project.

25 (b) The Energy Commission shall allow the use of data analytics
26 of energy usage data, where possible, in the energy auditing,
27 evaluation, inventorying, measuring, and verification of projects.
28 To ensure quality of results, data analytics providers shall have
29 received prior technical validation by the Energy Commission, a
30 local utility, or the Public Utilities Commission.

31 (c) A community college district or LEA shall not use a sole
32 source process to award funds pursuant to this chapter. A
33 community college district or LEA may use the best value criteria
34 as defined in paragraph (1) of subdivision (c) of Section 20133 of
35 the Public Contract Code to award funds pursuant to this chapter.

36 (d) The Energy Commission shall adopt the guidelines in
37 accordance with this section at a publicly noticed meeting and
38 provide an opportunity for public comment. The Energy
39 Commission shall provide written public notice of a meeting at
40 least 30 days prior to the meeting.

1 (1) For substantive revision of the guidelines, the Energy
2 Commission shall provide written notice of a meeting at least 15
3 days prior to the meeting at which the revision is to be considered
4 or adopted.

5 (2) The adoption or revision of guidelines pursuant to this
6 subdivision is exempt from Chapter 3.5 (commencing with Section
7 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

8 (e) Each participating LEA shall prioritize the eligible projects
9 within its jurisdiction taking into consideration, as applicable, at
10 least the following factors:

11 (1) The age of the school facilities, as well as any plans to close
12 or demolish the facilities.

13 (2) The proportion of pupils eligible for funds under Title I of
14 the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301
15 et seq.) at particular schoolsites.

16 (3) Whether the facilities have been recently modernized.

17 (4) The facilities' hours of operation, including whether the
18 facilities are operated on a year-round basis.

19 (5) The school's energy intensity as determined from an energy
20 rating or benchmark system such as the United States
21 Environmental Protection Agency's Energy Star system or other
22 acceptable benchmarking approach that may be available from
23 local utilities, the American Society for Heating, Refrigerating,
24 and Air-Conditioning Engineers, Inc., or reputable building analysis
25 software as is appropriate to the size, budget, and expertise
26 available to the school.

27 (6) The estimated financial return of each project's investment
28 over the expected lifecycle of the project, in terms of net present
29 value and return on investment.

30 (7) Each project's potential for energy demand reduction.

31 (8) The anticipated health and safety improvements or other
32 nonenergy benefits for each project.

33 (9) The individual or collective project's ability to facilitate
34 matriculation of local residents into state-certified apprenticeship
35 programs.

36 (10) The expected number of trainees and direct full-time
37 employees likely to be engaged for each LEA's annual funding
38 commitments based upon a formula to be made available by the
39 Energy Commission or California Workforce Investment Board.
40 The formula shall be stated as labor-intensities per total project

1 dollar expended, and may differentiate by type of improvement,
2 equipment, or building trade involved.

3 (11) The ability of the project to enhance workforce
4 development and employment opportunities, utilize members of
5 the California Conservation Corps, certified local conservation
6 corps, Youth Build, veterans, Green Partnership Academies,
7 nonprofit organizations, high school career technical academies,
8 high school regional occupational programs, or state-certified
9 apprenticeship programs, or to accommodate learning opportunities
10 for school pupils or at-risk youth in the community.

11 (f) The Superintendent of Public Instruction shall not distribute
12 funds to an LEA unless the LEA has submitted to the Energy
13 Commission, and the Energy Commission has approved, an
14 expenditure plan that outlines the energy projects to be funded.
15 An LEA shall utilize a simple form expenditure plan developed
16 by the Energy Commission. The Energy Commission shall
17 promptly review the plan to ensure that it meets the criteria
18 specified in this section and in the guidelines developed by the
19 Energy Commission. A portion of the funds may be distributed to
20 an LEA upon request for energy audits and other plan development
21 activities prior to submission of the plan.

22 (g) This section shall not affect the eligibility of any eligible
23 entity awarded a grant pursuant to this section to receive other
24 incentives available from federal, state, and local government, or
25 from public utilities or other sources, or to leverage the grant from
26 this section with any other incentive.

27 (h) Any limitation of funds awarded to individual projects
28 pursuant to this chapter shall not preclude or otherwise limit the
29 total amount of funds that a recipient LEA or community college
30 may otherwise be eligible to receive as a result of identifying
31 multiple projects that meet the overall objectives and criteria
32 described in this chapter.

33 (i) For a school facility that is not publicly owned, ~~a school~~
34 ~~district~~ *an LEA* receiving moneys pursuant to this chapter for a
35 project for that facility shall require that the school repay to the
36 state all moneys received from the Job Creation Fund for the
37 project if the school voluntarily vacates the facility within five
38 years of project completion. The facility owner shall repay to the
39 state all moneys received from the Job Creation Fund for the
40 project if the school was forced to vacate the facility within the

1 life of the project completion. All benefits of these public funds
2 should be received by the school utilizing the facility.

3 (j) It is the intent of the Legislature that monetary savings at
4 eligible institutions from retrofit and installation projects pursuant
5 to this section be used to benefit students and learning at those
6 institutions.

7 *SEC. 56. Section 115 of Chapter 47 of the Statutes of 2013 is*
8 *amended to read:*

9 SEC. 115. (a) The sum of two billion ~~ninety-nine~~ *one hundred*
10 *one* million one hundred sixty-one thousand dollars
11 ~~(\$2,099,161,000)~~ *(\$2,101,161,000)* is hereby appropriated from
12 the General Fund for the purposes of this act as follows:

13 (1) Two million dollars (\$2,000,000) shall be appropriated to
14 the Governor's Office of Planning and Research for purposes of
15 implementing Sections 42238.07, 52064, and 52064.5 of the
16 Education Code.

17 (2) Two billion sixty-seven million one hundred forty thousand
18 dollars (\$2,067,140,000) shall be appropriated to the
19 Superintendent of Public Instruction and shall be allocated pursuant
20 to the calculation in subdivision (b) of Section 42238.03 of the
21 Education Code.

22 (3) Thirty-two million twenty-one thousand dollars
23 (\$32,021,000) shall be appropriated to the Superintendent of Public
24 Instruction and shall be allocated pursuant to the calculation in
25 subdivision (f) of Section 2575 of the Education Code.

26 (b) For purposes of making the computations required by Section
27 8 of Article XVI of the California Constitution, the ~~appropriation~~
28 ~~made by amount appropriated in~~ subdivision (a) shall be deemed
29 to be "General Fund revenues appropriated for school districts,"
30 as defined in subdivision (c) of Section 41202 of the Education
31 Code, for the 2013–14 fiscal year, and included within the "total
32 allocations to school districts and community college districts from
33 General Fund proceeds of taxes appropriated pursuant to Article
34 XIII B," as defined in subdivision (e) of Section 41202 of the
35 Education Code, for the 2013–14 fiscal year.

36 *SEC. 57. Section 83 of Chapter 48 of the Statutes of 2013 is*
37 *amended to read:*

38 Sec. 83. (a) Notwithstanding any other law, the Inglewood
39 Unified School District, through the State Department of Education,
40 may request cashflow loans from the General Fund for a total of

1 up to fifty-five million dollars (\$55,000,000) for emergency
2 operational purposes.

3 (b) Unless otherwise specified in this section, the terms and
4 conditions of any General Fund cashflow loan provided pursuant
5 to this section shall be subject to approval by the Director of
6 Finance and shall be consistent with the terms and conditions of
7 the General Fund emergency apportionment issued pursuant to
8 Chapter 325 of the Statutes of 2012. *The terms and conditions of*
9 *the General Fund cashflow loan shall include authorization for*
10 *the payment of costs incurred before June 15, 2013, by the*
11 *California Infrastructure and Economic Development Bank to*
12 *implement Section 10 of Chapter 325 of the Statutes of 2012.*
13 Notwithstanding the interest rates specified in the terms and
14 conditions of the General Fund loan issued pursuant to Chapter
15 325 of the Statutes of 2012, the interest on these loans shall be
16 charged at the annual rate of return of the Pooled Money
17 Investment Account, plus an additional 2 percent.

18 (c) Once a General Fund cashflow loan is approved pursuant
19 to this section, and upon the order of the Director of Finance, the
20 Controller shall draw warrants against General Fund cash to the
21 Inglewood Unified School District to provide a cashflow loan.

22 (d) Upon approval of a General Fund cashflow loan pursuant
23 to this section, a repayment schedule shall be determined by the
24 Department of Finance. If a required payment is not made within
25 60 days after a scheduled date, upon order of the Department of
26 Finance, the Controller shall pay the defaulted General Fund
27 cashflow loan repayment by withholding that amount from the
28 next available payment that would otherwise be made to the county
29 treasurer on behalf of the school district pursuant to Section 14041
30 of the Education Code.

31 (e) The Department of Finance shall notify the Legislature
32 within 15 days of authorizing a General Fund cashflow loan
33 pursuant to this section.

34 (f) A cashflow loan from the General Fund authorized by this
35 section does not constitute budgetary expenditures. A cashflow
36 loan, and the repayment of a cashflow loan, made under this section
37 shall not affect the General Fund reserve.

38 (g) Issuance of a General Fund cashflow loan authorized
39 pursuant to this section shall require the Inglewood Unified School
40 District to abide by all provisions associated with the issuance of

the emergency loan specified in Chapter 325 of the Statutes of 2012, including those cited in Article 2 (commencing with Section 41320) and Article 2.5 (commencing with Section 41325) of Chapter 3 of Part 24 of Division 3 of Title 2 of the Education Code.

(h) As a condition of requesting a General Fund cashflow loan pursuant to this section, the Inglewood Unified School District shall repay the twenty-nine million dollar (\$29,000,000) General Fund loan issued pursuant to Chapter 325 of the Statutes of 2012 from the proceeds of the school district's initial request for a General Fund cashflow loan.

SEC. 58. Item 6110-001-0001 of Section 2.00 of the Budget Act of 2013 is amended to read:

6110-001-0001—For support of Department of Education.....	35,488,000
	38,652,000

Schedule:

(2) 20-Instructional Support.....	148,109,000
(3) 30-Special Programs.....	69,267,000
(6) 42.01-Department Management and Special Services.....	34,901,000
(7) 42.02-Distributed Department Manage- ment and Special Services.....	-34,901,000
(8) Reimbursements.....	-16,104,000
(9) Amount payable from the Federal Trust Fund (Item 6110-001-0890).....	-165,605,000
(10) Amount payable from the Mental Health Services Fund (Item 6110-001- 3085).....	-179,000

Provisions:

- Notwithstanding Section 33190 of the Education Code or any other provision of law, the State Department of Education shall expend no funds to prepare (a) a statewide summary of pupil performance on school district proficiency assessments or (b) a compilation of information on private schools with five or fewer pupils.
- Funds appropriated in this item may be expended or encumbered to make one or more payments under a

personal services contract of a visiting educator pursuant to Section 19050.8 of the Government Code, a long-term special consultant services contract, or an employment contract between an entity that is not a state agency and a person who is under the direct or daily supervision of a state agency, only if all of the following conditions are met:

- (a) The person providing service under the contract provides full financial disclosure to the Fair Political Practices Commission in accordance with the rules and regulations of the Commission.
 - (b) The service provided under the contract does not result in the displacement of any represented civil service employee.
 - (c) The rate of compensation for salary and health benefits for the person providing service under the contract does not exceed by more than 10 percent the current rate of compensation for salary and health benefits determined by the Department of Human Resources for civil service personnel in a comparable position. The payment of any other compensation or any reimbursement for travel or per diem expenses shall be in accordance with the State Administrative Manual and the rules and regulations of the California Victim Compensation and Government Claims Board.
3. The funds appropriated in this item may not be expended for any REACH program.
 4. The funds appropriated in this item may not be expended for the development or dissemination of program advisories, including, but not limited to, program advisories on the subject areas of reading, writing, and mathematics, unless explicitly authorized by the State Board of Education.
 5. Of the funds appropriated in this item, \$206,000 shall be available as matching funds for the State Department of Rehabilitation to provide coordinated services to disabled pupils. Expenditure of the funds shall be identified in the memorandum of understanding or other written agreement with the State Department of

- 1 Rehabilitation to ensure an appropriate match to federal
2 vocational rehabilitation funds.
- 3 6. Of the funds appropriated in this item, no less than
4 \$1,973,000 is available for support of child care services,
5 including state preschool.
- 6 7. By October 31 of each year, the State Department of
7 Education (SDE) shall provide to the Department of
8 Finance a file of all charter school average daily attendance
9 (ADA) and state and local revenue associated
10 with charter school general purpose entitlements as
11 part of the P2 Revenue Limit File. By March 1 of each
12 year, the SDE shall provide to the Department of Finance
13 a file of all charter school ADA and state and
14 local revenue associated with charter school general
15 purpose entitlements as part of the P1 Revenue Limit
16 File. It is the expectation that such reports will be
17 provided annually.
- 18 8. On or before April 15 of each year, the State Department
19 of Education (SDE) shall provide to the Department of Finance
20 an electronic file that includes complete district- and county-level
21 state appropriations limit information reported to the SDE. The SDE
22 shall make every effort to ensure that all districts have submitted
23 the necessary information requested on the relevant reporting forms.
- 24 9. The State Department of Education shall make information
25 available to the Department of Finance, the Legislative Analyst's
26 Office, and the budget committees of each house of the Legislature
27 by October 31, March 31, and May 31 of each year regarding the
28 amount of Proposition 98 savings estimated to be available for
29 reversion by June 30 of that year.
- 30 10. Of the reimbursement funds appropriated in this item,
31 \$1,300,000 shall be available to the State Department of Education
32 for nutrition education and physical activity promotion pursuant to
33 an interagency agreement with the State Department of State
34 Hospitals.
- 35 11. Reimbursement expenditures pursuant to this item resulting
36 from the imposition by the State Department of Education (SDE)
37 of a commercial copyright fee
38 of a commercial copyright fee
39 of a commercial copyright fee
40 of a commercial copyright fee

1 may not be expended sooner than 30 days after the
2 SDE submits to the Department of Finance a legal
3 opinion affirming the authority to impose such fees
4 and the arguments supporting that position against any
5 objections or legal challenges to the fee filed with the
6 SDE. Any funds received pursuant to imposition of a
7 commercial copyright fee may only be expended as
8 necessary for outside counsel contingent on a certifi-
9 cation of the Superintendent of Public Instruction that
10 sufficient expertise is not available within departmental
11 legal staff. The SDE shall not expend greater than
12 \$300,000 for such purposes without first notifying the
13 Department of Finance of the necessity therefor, and
14 upon receiving approval in writing.

15 12. Of the amount appropriated in this item, \$139,000
16 from reimbursement funds may be expended for ad-
17 ministering the Education Technology K–12 Voucher
18 Program pursuant to the Microsoft settlement.

19 13. Of the funds appropriated in this item, up to
20 \$1,011,000 is for dispute resolution services, including
21 mediation and fair hearing services, provided through
22 contract for special education programs.

23 14. Of the reimbursement funds appropriated in this item,
24 \$422,000 shall be available to the State Department
25 of Education (SDE) to contract for assistance in devel-
26 oping an approved listing of food and beverage items
27 that comply with the nutrition standards of Chapters
28 235 and 237 of the Statutes of 2005. In order to fund
29 the development and maintenance of the approved
30 product listing, the SDE shall collect a fee, as it deems
31 appropriate, from vendors seeking to have their prod-
32 ucts reviewed for potential placement on the approved
33 product listing.

34 15. Of the reimbursement funds appropriated in this item,
35 \$612,000 is provided to the State Department of Edu-
36 cation for the oversight of State Board of Education-
37 authorized charter schools. The Department of Finance
38 may administratively establish up to 2.0 positions for
39 this purpose as workload materializes.

- 1 16. Of the funds appropriated in this item, \$158,000 and
2 1.5 positions are provided to support new requirements
3 contained in Chapter 723 of the Statutes of 2011,
4 which strengthens antidiscrimination and antibullying
5 policies in schools.
- 6 17. Of the funds appropriated in this item, \$109,000 and
7 1.0 position is provided to support new requirements
8 contained in Chapter 776 of the Statutes of 2012,
9 which clarifies the prohibition against public schools
10 charging pupil fees for participation in educational
11 activities.
- 12 18. Of the funds appropriated in this item, \$217,000 and
13 2.0 positions are available for workload to implement
14 Chapter 577 of the Statutes of 2012, including activi-
15 ties necessary to revise the Academic Performance
16 Index.
- 17 19. Of the funds appropriated in this item, \$109,000 shall
18 be for 1.0 position within the State Department of
19 Education to support activities associated with the
20 Clean Energy Job Creation Fund.
- 21 20. Of the funds appropriated in this item, \$233,000 is
22 available in one-time funds for the Instructional
23 Quality Commission to support activities necessary
24 to meet the deadlines required pursuant to Section
25 60207 of the Education Code for development of
26 common core curriculum frameworks for mathematics
27 and English language arts.
- 28 22. *Of the amount appropriated in this item, \$459,000 is*
29 *provided to support the Career Technical Education*
30 *Pathways Trust one-time grant program pursuant to*
31 *Chapter 48 of the Statutes of 2013 in the 2013–14 fis-*
32 *cal year. The funds appropriated in this item shall*
33 *support the activities authorized by Section 86 of*
34 *Chapter 48 of the Statutes of 2013, as follows:*
 - 35 (a) *3.0 limited-term 3-year positions to administer*
36 *and oversee the one-time California Career*
37 *Technical Education Pathways Trust competitive*
38 *grant program.*
 - 39 (b) *Grant application development and distribution,*
40 *and grantee selection.*

1 (c) Desk monitoring of grant recipients and technical
2 assistance.

3 (d) An external data repository, data collection, and
4 outcome measures reporting.

5 23. Of the amount appropriated in this item, \$570,000 and
6 5.0 positions are provided to support the Local Control
7 Accountability Plan state-level activities pursuant to
8 Chapter 48 of the Statutes of 2013. These funds and
9 positions shall be used by the State Department of
10 Education to support activities including, but not lim-
11 ited to, department-wide coordination of consistent
12 Local Control Funding Formula information and its
13 dissemination, and assisting the development of regu-
14 lations and Local Control and Accountability Plan
15 templates. Of the amount appropriated in this item,
16 up to an additional seven hundred twenty-three thou-
17 sand dollars (\$723,000) and 6.0 positions may be ex-
18 pended for these state-level activities by the State De-
19 partment of Education upon approval of an expendi-
20 ture plan, or plans, for those funds by the Department
21 of Finance. The Department of Finance shall notify,
22 in writing, the chairpersons of the committees in each
23 house of the Legislature that consider appropriations,
24 the chairpersons of the committees and appropriate
25 subcommittees that consider the State Budget, and the
26 Chairperson of the Joint Legislative Budget Commit-
27 tee, of any expenditure plan approvals and positions
28 established pursuant to the authority authorized in
29 this provision.

30 24. Of the amount appropriated in this item, \$933,000 and
31 6.0 positions are provided to support the Local Control
32 Funding Formula administration pursuant to Chapter
33 48 of the Statutes of 2013. These funds and positions
34 shall be used by the State Department of Education to
35 support the apportionment of, and fiscal oversight of,
36 funding pursuant to the Local Control Funding For-
37 mula. Of the amount appropriated in this item, up to
38 an additional four hundred seventy nine thousand
39 dollars (\$479,000) and 5.0 positions may be expended
40 to support Local Control Funding Formula adminis-

1 *tration by the State Department of Education upon*
2 *approval of an expenditure plan, or plans, for those*
3 *funds by the Department of Finance. The Department*
4 *of Finance shall notify, in writing, the chairpersons*
5 *of the committees in each house of the Legislature that*
6 *consider appropriations, the chairpersons of the*
7 *committees and appropriate subcommittees that con-*
8 *sider the State Budget, and the Chairperson of the*
9 *Joint Legislative Budget Committee, of any expenditure*
10 *plan approvals and positions established pursuant to*
11 *the authority authorized in this provision.*
12

13 *SEC. 59. For purposes of calculating the local control funding*
14 *formula transition adjustment pursuant to subdivision (b) of Section*
15 *42238.03 of the Education Code for the Torrance Unified School*
16 *District for the 2013–14 and 2014–15 fiscal years, the*
17 *Superintendent of Public Instruction shall reduce the amount of*
18 *entitlement for Item 6110-105-0001, as set forth in paragraph (2)*
19 *of subdivision (a) of Section 42238.03 of the Education Code, by*
20 *three million four hundred seventy-three thousand five hundred*
21 *seventy-four dollars (\$3,473,574). For the 2013–14 and 2014–15*
22 *fiscal years, the Torrance Unified School District shall continue*
23 *to allocate three million four hundred seventy-three thousand five*
24 *hundred seventy-four dollars (\$3,473,574) in accordance with*
25 *paragraph (5) of subdivision (a) of Section 42238.03 of the*
26 *Education Code.*

27 *SEC. 60. (a) On or before June 30, 2014, the Board of*
28 *Governors of the California Community Colleges is authorized to*
29 *increase the total General Fund apportionment allocations to be*
30 *made between July 1, 2013, and February 1, 2014, specified in*
31 *subdivisions (d) and (e) of Section 58770 of Title 5 of the California*
32 *Code of Regulations and authorized in subdivision (b) of Section*
33 *70901 of the Education Code, by an amount to be determined by*
34 *the Director of Finance.*

35 *(b) The funds in subdivision (a) shall be increased only to the*
36 *extent that revenues distributed to community college districts*
37 *pursuant to Sections 34177, 34179.5, 34179.6, and 34188 of the*
38 *Health and Safety Code are less than the estimated amount*
39 *reflected in the Budget Act of 2012, as determined by the Director*
40 *of Finance.*

1 (c) In making the determinations pursuant to subdivision (b),
2 the Director of Finance shall consider any other local property
3 tax revenue, student fee revenue, or other sources of revenue
4 collected in excess of, or in deficit of, the estimated amount
5 reflected in the Budget Act of 2012.

6 (d) The Director of Finance shall notify the Chairperson of the
7 Joint Legislative Budget Committee, or his or her designee, of his
8 or her intent to increase the total allocations to be made between
9 July 1, 2013, and February 1, 2014, and the amount needed to
10 address the shortfall determined pursuant to subdivision (b). The
11 Controller shall make the funds available not sooner than five
12 days after this notification and the Office of the Chancellor of the
13 California Community Colleges shall work with the Controller to
14 allocate these funds to community college districts as soon as
15 practicable.

16 SEC. 61. The Legislature finds and declares that a special law,
17 as set forth in Section 57 of this act, is necessary and that a general
18 law cannot be made applicable within the meaning of Section 16
19 of Article IV of the California Constitution because of the unique
20 circumstances relating to the fiscal emergency in the Inglewood
21 Unified School District.

22 SEC. 62. This act is a bill providing for appropriations related
23 to the Budget Bill within the meaning of subdivision (e) of Section
24 12 of Article IV of the California Constitution, has been identified
25 as related to the budget in the Budget Bill, and shall take effect
26 immediately.

27 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
28 ~~changes relating to the Budget Act of 2013.~~